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COMEBACK? P.32

UNDERSTANDING
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the taxpayer

FALL 2018
taxpayer.com



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PM#40063310

The Canadian Taxpayers Federation has always stood for lower taxes, less waste and accountable government and we at Benefits By Choice Inc. applaud and support their efforts.



We have partnered with the Canadian Taxpayers Federation and created a program for CTF supporters called **Choice\$** which launched on November 1, 2018. You can find more information on www.choicesforme.ca

Benefits By Choice has put together a package of options aimed at providing discounted benefits and services on an easy to access platform. Our goal was to provide products that can be purchased on a voluntary basis but in total would bring excellent value.

Products have been designed to be easy to purchase and fill niches that may exist, through products like "hard to insure" and "travel insurance" plus access to an online pharmacy and more. We hope you will examine all the offerings and find some that will work for you. We're excited about working with the CTF to bring value-added services to CTF supporters.

Feel free to contact us anytime at info@benefitsbychoice.ca and let us know your thoughts on the program.



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FROM THE PRESIDENT

Changing with the times ...



Troy Lanigan
tlanigan@taxpayer.com

Welcome to the new-look *The Taxpayer* magazine! The retirement of our Publications Director of 27 years, Dean Smith, coupled with a new three-year strategic plan will result in some changes I'd like to share with you.

It won't surprise anyone that "changing with the times" involves a greater allocation of donor resources to all things online: advertising, social media, website, supporter growth, etc.

As I wrote in this space previously, "If we wish to grow in size and impact, we need to recognize and embrace the changes around us by retooling and redirecting resources in ways that equip and fulfil that objective."

I can tell you a debate was held internally as to whether *The Taxpayer* might join Dean Smith in retirement. Our supporter survey showed many willing to move all communication online, yet many others described the magazine as a unique and integral part of what it means to belong to the CTF - some even offering to pay more to continue receiving it.

So, in fine Canadian tradition, we came up with a compromise. We are contracting out publication of *The Taxpayer*, increasing the number of pages and articles in each edition and reducing the number of editions per year from four to three. We are also adding more advertising to help cover some costs. We've allowed advertising in *The Taxpayer* since 2010, but few ads were sold because nobody was in charge of selling them. (SHAMELESS PLUG: If you'd like to advertise, please send an email to Kristina Alexiou kalexiou@myadbox.ca).

These efforts are designed to keep this important legacy publication intact

but still provide room to redirect some resources, including new staff, to growing our online presence and, ultimately, growing our impact.

As always, we welcome and encourage your feedback!

"Changing with the times" involves another announcement: this will be my last column in this space as I will be leaving the CTF at the end of this year.


While my decision came as a surprise to the board and staff, I feel after 26-plus years (almost 10 years as president), it's time to make way for new leadership to steer the organization forward.

My first day of work was June 22, 1992, when I walked into a shabby office in the west end of Edmonton and was greeted by Dean Smith and some guy named Jason Kenney. They literally cleared space for me in a storage closet and I've been happily beaver away in various capacities ever since.

What an amazing run.

Too many stories to recount and too many people to recognize than this space permits but to all of you I worked with over the years and especially to all of you who made the CTF possible through your moral and financial support: thank you!

As I write this I don't know what I'm going to be doing in the future, but I'm pretty sure it won't be as meaningful, as rewarding or, frankly, as much fun as these years have proven.

We certainly didn't win every battle over my 26 years, but we did prove the old saying that nothing moves until it is pushed. May that push continue with firm resolve, conviction and gusto! 



The Canadian Taxpayers Federation is a federally incorporated not-for-profit and non-partisan organization dedicated to lower taxes, less waste and accountable government. Founded in 1990, the Federation is independent of all partisan or institutional affiliations and is entirely funded by free-will, non-tax receiptable contributions. All material is copyrighted. Permission to reprint can be obtained by e-mailing the editor: shennig@taxpayer.com. Printed in Canada.

FALL 2018

PUBLICATIONS MAIL AGREEMENT
NO. 40063310

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CANADIAN TAXPAYERS FEDERATION
265-438 VICTORIA AVE. EAST
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Ralph vs. Rachel: A tale of two Alberta premiers

A new book from Mark Milke with a foreword from Preston Manning



Praise for Ralph vs. Rachel

“Mark Milke takes readers on a journey over the last 30 years that creates such a stark contrast between the two Alberta premiers that it makes Ralph Klein’s accomplishments of the early 1990s look even more herculean with each passing year. After reading *Ralph vs. Rachel*, you may long for the days of balanced budgets, flat taxes, and, yes, even Ralph-bucks.”

—**Scott Hennig**, Vice President, Canadian Taxpayers Federation

“While Mark paints on the Alberta canvas, the landscape for his ideas — and the cogent explanation of them — is universal. Mark Milke examines the ideas, slogans, and policies of many who call themselves progressives and deconstructs them to help us understand why good intentions are never good enough.”

—**Charles Adler**, Host of Corus Entertainment’s Charles Adler Tonight

Albertans elected two starkly unique premiers in the past 25 years. The first was Ralph Klein, a high-school dropout who, as premier, cut government spending, and taxes, and saw his popularity soar. Klein was a hard-drinking, reforming politician far more comfortable with blue-collar Albertans than bluebloods. He never lost an election and was known simply as “Ralph.”

Another premier, Rachel Notley, defied expectations and in 2015 broke up the 44-year Conservative government dynasty. Notley, presiding over Alberta’s first NDP government, soon wrenched the province in a radically new direction: with higher taxes, green-friendly policy, and activist government. The new premier entered office just as oil prices plunged, as did her chance at a balanced budget.

Former CTF director Mark Milke has written a new book comparing the choices and records of both premiers. In *Ralph vs. Rachel: A tale of two Alberta premiers*, Mark Milke describes how both entered office in similar fiscal crises and what that meant for unemployment lines, careers and Albertans. In a contrarian take, Milke argues that Notley was delivered a bad hand from the start and that Klein saved health care and education, protected the Heritage Fund, and rescued Canada’s unemployed from coast to coast and few of Klein’s successes were due to luck.

Excerpts from Ralph vs. Rachel

THE 1990s RORSCHACH TEST

Health care and education, and the Klein government’s temporary reduction in spending in both ministries was, and still is, like a Rorschach test for Albertans. Many people see what they see and cannot envision any other image.

ON NDP TAX POLICIES

We might consider another not-so-magnificent obsession, and a hill New Democrats apparently wish to defend: their decades-long belief that Albertans are dramatically undertaxed. ... After the May 2015 election win, the NDP was in a two-decade hurry to right Alberta’s historic tax wrongs and it took all of 44 days between the party’s win, and the legislation to actualize their long-held hope: That Albertans would finally face “fair” taxation.

YOUR HEROES EXPLAIN YOU

Just before Alberta’s New Democrats won power in May 2015, Thomas Lukaszuk, the Alison Redford-era cabinet minister, tweeted that he recalled seeing Rachel Notley with a Che Guevara wristwatch. A later online picture confirmed his tweet. Lukaszuk would go down to defeat two days later in his Edmonton riding, but the premier’s ideological fashion choice was revealing. If the premier possessed an odd choice in a wristwatch, she was not alone in her accidentally revealed autocrat preferences.

The 2015 NDP election win washed in a few others hostile to free enterprise, including Rod Loyola. Pre-politics, Loyola, a union and NDP organizer, habitually praised Hugo Chavez, who turned a second-world country with promise into a bankrupt, failed state. The Notley-Guevara, Loyola-Chavez sympathies are notable, not because one expects the premier or Loyola, who chairs the standing committee on resource stewardship, to one day hire Latin American revolutionaries to run Alberta’s prisons or to nationalize Alberta’s energy sector. The sympathies matter because, whether Guevara or Chavez, New Democrats still seemed impressed by revolutionary rhetoric over the hard-work reality of how economies, actual justice and countries are built and prosper.

Ralph vs. Rachel: Available in November

Ralph vs. Rachel: A tale of two Alberta premiers, will be available in bookstores and online in mid-November 2018. The author is also offering volume discounts via his website at markmilke.com/books/

the taxpayer

FALL 2018

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The Taxpayer is published in March, July and November and distributed to CTF donors as well as journalists, opinion-leaders and municipal, provincial and federal lawmakers.

Taxpayer.com

COVER PHOTO

Venezuelans wait hours in line in Caracas for food, with a “Gallery of Revolutionaries” watching over them.

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Venezuela - A socialist paradise no more

After nearly 20 years in power, the socialist regime that has controlled Venezuela is on the brink of collapse, along with the economy, the health care system and the entire country.

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Death taxes in Canada should stay dead and buried

Canada has not had an inheritance tax since 1986, but some advocates want to give the tax new life.

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So just what is the ‘not-withstanding clause’?

Premier Doug Ford’s threat to use the not-withstanding clause has re-ignited interest in this seldom-used section of our Charter.

THE NATION

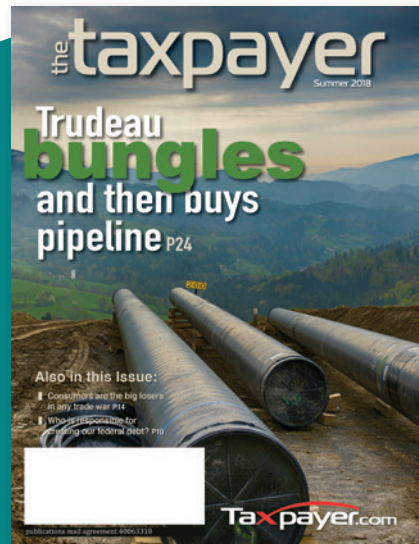
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Regarding the article “Retaliatory tariffs only punish ourselves” by Mathew Lau in the Summer 2018 edition of *The Taxpayer*, unfortunately Lau, like so many young people, has too little life experience to understand that if you don’t stand up to a bully, the bullying gets worse.

And if you put 10 economists in a room you’d get a dozen totally different predictions on what course of action would be best and what the outcomes would be — never mind “240 years of near-unanimous agreement.”

Had Lau ever run a business instead of writing about them, he might understand what happens when a bigger business (or country) undercuts your products until you go broke, and then recoups its losses by increasing prices

now that there’s no competition.

He assumes that tariffs result in lower quality, and his quote from Adam Smith is only right if the cheaper supplier isn’t hell-bent on putting the competition out of business.

I agree that this government has tried to push its own ideology into totally unrelated agreements, to our cost, but on retaliation it has been right. Targeting specific industries in specific areas is forcing Americans to fight their own government as their own businesses suffer.

We’re going to pay more either way — or change our buying habits. But at least we’re trying to protect our businesses and jobs as much as possible.

David Chawner
Onoway, AB

The Federal Court of Appeal decision on the Trans Mountain Pipeline appears to be based solely on the judges’ perceived bias and not on any legitimate legal basis.

Are the courts now affirming that First Nations have the right to approve or deny any resource development in Canada and must be consulted prior to any project approval?

Many First Nations communities are funded through the generosity of taxpaying Canadians and it seems unreasonable they would veto resource development in Canada. They are, in many cases, denying the development or transportation of the very resources that fund their communities.

The rationale of the impact on the killer whale population does not make sense either. The impact on whales of approximately one extra oil tanker a day sailing out of Vancouver and through the strait of Juan de Fuca is unscientific. What would the court ruling be on one extra cruise ship or one extra cargo vessel? The impact on the killer whale population would be the same. Is this ruling now a precedent that no extra ships can sail this route?

In my opinion, the National Energy Board considered the concerns of all submissions and, using the current regulations, environmental assessments,

legal rights and overall impact this project would have, gave it the approval to proceed.

Extra dialogue would have done absolutely nothing and using this reason and the impact on the killer whale population is just trying to justify a bias held by the judges.

Jack Masterman
Port Hardy, BC

As a longtime supporter of the Canadian Taxpayers Federation, I was very disappointed by the article entitled “Closing rural NS hospital a little pain for long-term gain” which appeared in the summer edition of *The Taxpayer*.

It is true that 20 years ago these hospitals (in North Sydney and New Waterford) were underutilized prior to the construction of the Cape Breton Regional Hospital, which was opened in the early 1990s.

Even after considerable expensive renovations, the Cape Breton Regional Hospital has been woefully inadequate in meeting Cape Breton’s needs. Because of that, many services which should have been provided in the Regional Hospital have been transferred to outlying hospitals such as the Northside General Hospital and the New Waterford Consolidated Hospital.

Two single-floor wings of the Northside

hospital provide inpatient care and the beds are usually full. The ER is beautifully equipped, but underutilized due to a lack of doctors to operate it. Instead, patients must take a 30-minute drive to the Regional Hospital where they often wait more than eight hours to be seen.

The lack of doctors in the Northside stems from two causes: 1. Restriction of doctors the Department of Health allows to practice in Cape Breton; and 2. Lower pay for working in the Northside General as opposed to the Regional.

Both of these problems were created by the government.

The current plan, which caused so much outrage in Cape Breton, was presented to us by the premier without any local consultation. It proposes tearing down two large well-built hospitals, mostly paid for by local citizens, which, contrary to what the Department of Health may say, are fully utilized and replacing them with two tiny “community health centres” which basically amount to family doctor offices.

In exchange, there will be another attempt to make the government-designed Regional Hospital workable. This may be good for the construction industry, but won’t do much for health care in Cape Breton.

Dr. Harry Pollett, MD
North Sydney, NS

JOHN SOLONINKO FUND

The Canadian Taxpayers Federation is pleased to announce creation of the John Soloninko Fund in honour of long-time CTF supporter John Soloninko, who passed away last year at the age of 82.

Born in Kamsack, SK, John was a water well driller. He eventually became partner and head of the North Battleford-based operations of Elk Point Drilling.

In honour of John and his support for the CTF, John’s wife Barbara created a Designated Bequest. John and Barbara had no children of their own, but Barbara tells us how much John enjoyed and encouraged young people in his extended family. To that end, Barb committed a generous sum

to the CTF’s Student Endowment in John’s name.

The endowment principal is held in perpetuity, with the interest used to advance CTF student initiatives including internships, contests and Generation Screwed.

What is a Designated Bequest?

It’s a gift written into your will governed by a Fund Agreement. The agreement allows you to designate the purpose of the gift and carry a name of your choosing.

If you would like to learn more about designated bequests or make a donation to John’s Fund, please contact our Director of Legacy Programs Rick Pepper at rpepper@taxpayer.com or 250-896-0744.



In democratic societies, the people make the decisions and we elect politicians to implement them.

That means goodbye to the Harpers of the world, who embraced what they insisted were their colonial prerogatives to destroy the democratic process in our federal Parliament and turn the prime minister’s office into a political control centre.

It also means good-bye to the Trudeaus’ obsession with transforming Canada into a Cuban-style socialist society, where they would continue to enjoy a lifestyle of unchallenged powers out of reach of the people.

More than 80% of OECD countries use a proportional voting system and have democratic governments that are controlled by the people, not the politicians.

Canada is next.

The BC coalition government will give the people a proportional ballot, and we

can say goodbye to all those fake majority governments that have represented as little as 29% of the popular vote.

We will no longer be an embarrassment to the world as we close the doors on that dog and pony show called question period, while we open the doors to democratic governance, where the people tell the elected members how to vote.

Our politicians absolutely hate that, and are fighting it tooth and nail, but this is a war they cannot win.

Andy Thomsen
Peachland, BC

EDITOR’S NOTE:

Thanks to several readers who questioned our reference to “John Pearson” as one of the prime ministers who increased our federal debt (You asked for it, The Taxpayer, Summer 2018). It should have said “Lester Diefenbaker.” Kidding. We meant Lester Pearson. Sorry.



LETTERS TO THE EDITOR

Letters may be edited for length, content and clarity.

Send your letters to:

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E-mail: letters@taxpayer.com

SAVE MONEY, SHOP IN MANHATTAN

Sometimes the government could save money by shopping at Tiffany & Co. in New York.

The luxury store sells wine glasses for \$55 each, but the federal government bought more than 1,000 glasses for an average cost of \$117 each, according to an exclusive Canadian Taxpayers Federation investigation based on documents obtained through access to information requests.

The federal Department of Global Affairs spent \$127,000 on the crystal, more than double what it would have been charged if it had paid retail

prices in Manhattan.

But that wasn't Global Affairs' only spending spree.

The Canadian embassy in Mexico City paid \$286 apiece for 86 seat cushions.

The consulate in Hong Kong also made seating a priority and bought 16 dining table chairs for \$1,000 each.

When asked about the purchases, a spokesperson for Global Affairs stated: "we know taxpayers' dollars must be treated with the utmost respect."

Source: Canadian Taxpayers Federation



Email a tree? 'Leave' a message



People in Vancouver can now send an email to a tree and get an email back.

Twenty-five trees bear signs with an email address and an identification number. People are encouraged to send the trees an email. The local artist in residence and a few others are helping the trees respond to the messages. (Sadly, it may take up to a week.)

Some have questioned the artistic merit.

"Will I email a tree? Well, what would be the benefit of that?" asked one person interviewed by Global News. "And how much did they spend on that?"

The costs are covered by the city of Vancouver's Artists in Communities Program which provides grants of \$12,000.

Source: Global News

We're hungry for more

The federal Department of Industry spent two years and \$45,000 to find an all-Canadian meal.

Unfortunately, the process faced insurmountable challenges.

"It's now been well over two weeks since you indicated you would be providing us with an update," wrote the consultant feverishly working on the project.

What was the holdup?

"Summer holidays," replied a government staffer. "Unfortunately, this process is taking a little longer than expected."

No national cuisine was ever identified.

(In the interest of moving forward this important national project, we offer this suggested menu: poutine, Canadian bacon, Saskatoon berries and a Nanaimo bar with rye whisky to wash it down. Sounds pretty good, eh?)

Source: Blacklock's Reporter

Editing history is expensive

The city of Victoria spent nearly \$23,000 to remove a statue of Canada's first prime minister, Sir John A. Macdonald.

Victoria removed the statue due to Macdonald's purported mistreatment of indigenous people.

The \$23,000 price tag is not yet final. The city was unable to provide a cost breakdown. Nor was it able to say when the final costs would be tallied.

Source: Victoria Times Colonist

The wheels on the (near-empty) bus stop going 'round

Manitoba Hydro has cancelled its subsidized bus route because only three people were riding on it.

The Crown corporation started subsidizing the bus route 10 years ago to help employees adjust when the headquarters moved to a new downtown location. Apparently, Hydro forgot to ask its employees whether they needed a ride. The buses ran almost empty for a decade.

The bills for the empty buses were about \$56,000 per year for an estimated total of more than half a million dollars.

"Why should ratepayers pay to subsidize an express bus for Hydro staff, even if there's no demand for it?" wrote Winnipeg Sun columnist Tom Brodbeck. "There's already a regular Transit bus."

Source: Winnipeg Sun

The bills keep coming in for Canada 150



The Canada 150 celebration cost taxpayers millions for a hockey-free rink on Parliament Hill and now taxpayers are getting the bills for some online debacles.

"The dataset by Project Tessera will be made publicly available and will serve as a legacy of the Canada 150 celebrations," wrote Department of Canadian Heritage staff. "This promises to be one of the largest sources of data on attitudes toward Canada and what it means to be Canadian."

Translation? Well, the government wanted one million Canadians to fill out online questionnaires to document their thoughts and opinions.

Unfortunately, Canadians weren't very interested and only 24,035 of us filled out the forms, just 975,964 short of the goal.

While Canadians weren't very enthusiastic about the survey, we're still stuck with the bill. Heritage Canada provided \$805,282 and the CBC chipped in another \$250,000.

The website is no longer active. It's too bad. Now that Canadians have seen the bill, they may have some thoughts they'd like to share.

Source: Blacklock's Reporter

Government overpays for free advice



The Department of Public Safety paid \$133,000 to have TV handyman Bryan Baeumler produce YouTube videos and other content for its Flood Ready campaign.

For example, one 33-second video explains how to clean eavestroughs. Baeumler doesn't actually appear in the video because it's animated, but he narrates it. The video has apparently had more than 100,000 views.

The department declined to say whether other bids were considered or why the content couldn't be created internally.

In unrelated news, the hardware store Lowe's has also produced a video showing how to clean out eavestroughs. It's almost five minutes long and it's generated nearly 900,000 views. It can be found for free by typing the following into the YouTube search: "how to clean eavestroughs."

Source: Blacklock's Reporter



To Russia with rent



The government of Canada has spent \$26 million over 10 years on a new embassy in Moscow, but it's empty.

The government signed the lease in 2008 and planned to start moving in, but the moving trucks never came.

Russian red tape and bureaucracy are being blamed for dragging out the approval process for the move.

Diplomatic disagreements have complicated the situation. Canada and other countries, such as Great Britain, expelled Russian diplomats to protest the nerve gas poisoning in England of a former spy and his daughter. The Russian government responded by kicking out four Canadian diplomats. That's on top of Canada's criticism of Russia's annexation of the Crimean Peninsula and other conflicts with Ukraine.

While the diplomatic spat has been continuing, the bills for the empty embassy have kept on coming. Most of the \$26 million has been for rent paid to the Russian government. The utility costs have been \$289,000 and the maintenance bill has been \$300,000.

And, of course, while the Canadians haven't been able to move into their new digs, they've continued to pay the rent for the current embassy in Moscow and that's totalled up to \$13 million over 10 years.

Source: CBC

Too many bureaucrats are incompetent, according to bureaucrats

The Canadian government surveyed 101,992 of its own employees about favouritism in hiring and other issues.

Almost a third of bureaucrats said people hired in their work units appeared "incompetent." When asked whether hires depend on "who you know," 54% agreed and only 10% strongly disagreed.

"I do want to talk about nepotism," said Patrick Borbey, president of the Public Service Commission. "That is certainly something we are on the lookout for, at the commission, and that we will investigate if there are allegations, if there is evidence there's been nepotism in a selection process, whether people have colluded."

Why can't the bureaucracy attract new talent?

The Public Service Commission calculates that it takes an average of 197 days for the federal government to hire a candidate from outside government. For some reason, it seems that most ordinary people aren't willing to wait around for more than half a year to get a government job.

Source: Blacklock's Reporter

Buzzword bingo a big money game



Dreaming up a new program is the easy part, but naming it is hard work.

In 2017, the federal government earmarked \$56 million to "establish a new organization which, in collaboration with willing provinces and territories and other stakeholders, will identify skill gaps with employers, explore new and innovative approaches to skills development, and share information so that Canadians are well equipped for opportunities in the new economy."

The government had the money and the plan, but it didn't have a title. And that's the kind of work that's best left to experts. So, the Department of Employment paid the Leger polling firm \$30,408 to figure something out.

"There is no need for a complex name because people like a name that is short and straightforward," wrote Leger in a report entitled Naming of New Skills Innovative Organization Qualitative Research.

The firm conducted focus groups. People didn't like the term "new." They didn't like "lab" either. They liked "strategy" and "vision" better.

In May, Ottawa launched the initiative entitled: the Future Skills Council.

Source: Blacklock's Reporter

Blue Bombers' stadium bills punted to taxpayers



When the Winnipeg Blue Bombers got a new Canadian Football League stadium, it was paid for with millions in loans from taxpayers. Some of the loans were supposed to be paid back with property taxes from development on the old stadium site. Some were supposed to be paid back with money from tickets for football games and concerts.

Now it turns out the loans won't be repaid and taxpayers are stuck with more than \$200 million in bills.

The Progressive Conservative government is blaming the previous NDP government.

"It was a deliberate plan to understate the actual financial obligation of the province to the project," said former finance minister Cameron Friesen.

Even the NDP agrees.

"If a deal like that came up in the future, I would structure it differently," said Opposition Leader Wab Kinew.

New developments on the old stadium site didn't happen, so the property taxes didn't materialize to pay that portion of the loan. It also became clear the Bombers would struggle to cover the interest costs, let alone pay down the principal, so that part of the loan became unsustainable as well.

As a result, the provincial government wrote off the loans, sticking taxpayers with the full \$200-million bill.

Meanwhile, Manitoba is projected to pay more than \$1 billion to cover interest charges on the provincial debt.

Source: Winnipeg Sun

It costs a lot to tell Canadians how much government is spending

The federal Department of Finance has spent an average of \$10 million a year to produce budget documents from 2012 of 2017.

Advertising has been the biggest bill at \$49 million. But the government also spent \$2.3 million on public polling and \$2.4 million for artwork on the cover.

In fact, the cover photos alone can be costly. In 2017, the government spent \$212,234 for a cover shot and \$176,339 the year before. However, the most recent budget had a much more reasonably priced cover with a stock photo of a family running through a field for a mere \$575.

"Justin Trudeau's election mantra was all about positivity, change and optimism for the future," stated an internal memo. "We want this budget cover to illustrate that feeling."

Unfortunately, neither the covers nor the contents of recent budgets have communicated any feelings regarding Trudeau's promise to balance the budget.

Source: Blacklock's Reporter

A nice, green ride isn't cheap

Investissement Québec increased the vehicle allowance for its CEO from \$19,000 to \$30,000 a year. That's in addition to Pierre Gabriel Côté's salary of \$415,000.

Why did the vehicle allowance go up for the head of the Quebec government's financial arm?

"He replaced his vehicle with a 100% electric car, which resulted in additional costs, including the installation of a charging station in his home," said his spokesperson, Isabelle Fontaine.

That's an interesting explanation. Going green is a priority for governments across the country. But a brand-new plug-in Prio is \$32,990. Does this bureaucrat need to buy a brand-new electric car every year?

Here's the thing: Côté had been driving a Porsche. But, in his effort to help the environment, he decided to buy a Tesla that costs between \$104,000 and \$209,900. And, of course, installing a charging station costs money.

Happily, there's good news as Fontaine pointed out the move will save taxpayers gas money.

Source: Le Journal de Quebec

Québec's new government wants less of your money



by **Renaud Brossard**
Quebec Director

Some good news out of La Belle Province: Québec elected a new government and it could have positive implications for taxpayers all across the country.

The Coalition Avenir Québec (CAQ) won a landslide victory Oct. 1, electing 74 MNAs out of a total of 125, in a victory that pollsters didn't see coming.

This government is a break from tradition in Québec politics for quite a few reasons. Not only is it the first time since the 1970s that a party other than the Liberals or the Parti Québécois was elected, but unlike many former premiers, François Legault is not interested in making deals with Ottawa to get more and more money.

He and his party came up with a plan in late 2015 to get Québec to what they call "equalization zero." Over the course of the mandate, the government hopes to promote economic growth to turn Québec from a so-called have-not province, into a have province. To do so, the government plans on advocating for true free trade among provinces, as was intended in the Constitution, to align provincial and federal regulations to facilitate development and generally promote economic growth.

That is already a great start, but there's cause to celebrate on another front. This Québec government wants

Ottawa to stay out of every province's business. For the last few decades, provinces have seen the federal government encroaching on their responsibilities. As Ottawa sends larger and larger health- and education-specific transfers, provincial governments are increasingly dependent on the federal government to finance what is ultimately their responsibility. And where there is financial dependency, there can be abuse of power.

We saw this happen not so long ago, in 2017, when Ottawa was renegotiating the health transfer with provinces. Provinces wanted to get the money and spend it as they see fit, in order to meet pressing local needs. Since Ottawa was the one holding the purse strings, it had the last word. If provincial governments wanted the money, they had to spend it the way Ottawa wanted.

Despite our Constitution clearly setting out what is or isn't the federal government's responsibility, elected officials and bureaucrats in Ottawa have found ways to dictate their agenda in all aspects of provincial jurisdiction.

Now, Legault and his new government are not turning down all those billions Ottawa is sending them for health care, education and whatnot: provinces still need that money to fund their programs. What Québec wants is for Ottawa to hand over the tax points used to finance those transfers. Instead of dipping in a common pot, where taxpayers of all provinces send their



The government hopes to promote economic growth to turn Québec from a so-called have-not province, into a have province.

money, provinces would fund their own services through their own tax base.

There is precedent for this in Canadian history. In the 1960s, the federal government offered provinces an opt-out of certain federal programs. Québec was the only province to do so, giving birth to what is known as the Québec abatement. Through that program, Québec gets a 16.5% (roughly four tax points) federal tax break and receives less cash from Ottawa.

In sum, Québec's new government wants less of your money and wants to pay for its own programs, as should every province. **t**

Information commissioner delivers a blow to Bombardier and secrecy



by **Todd MacKay**
Prairie Director

When the federal government gives millions in taxpayers' money to Bombardier, the least it can do is answer questions about what's happening to the money, according to the federal information commissioner.

"Bombardier has received a benefit in the form of substantial funding from the government of Canada," wrote then-information commissioner Suzanne Legault in a letter disclosed by investigative journalism website *Blacklock's Reporter*. "Such funding is conditional and it is not a right. As the source of Technology Partnerships Canada funding is taxpayers' dollars, Canadian taxpayers have a concomitant interest in understanding the outcome of Technology Partnerships Canada investments and the extent to which government funds have been repaid."

The specific subsidy in question is the \$56 million Bombardier received from Ottawa's Technology Partnership program. Bombardier has repeatedly gone to court to stop the government from releasing the documents. The government has complied, saying it's promised to keep Bombardier's secrets.

The information commissioner wasn't buying any of it and wrote to cabinet to demand the release of the documents.

"Bombardier has stated Industry Canada had offered assurances of confidentiality," wrote Legault. "I am not satisfied that either Bombardier nor Industry Canada has demonstrated that any alleged harms could reasonably be expected to occur were the information at issue disclosed."

In fact, other recipients, such as Suncor Energy, haven't objected to the release of documents regarding their taxpayer-funded deals.

The federal government refused to comment on the situation.

The information commissioner's stinging rebuke is good news in the



decades-old fight to hold the government accountable for money wasted on Bombardier.

The Canadian Taxpayers Federation has led the fight against subsidies for Bombardier and other companies. The

CTF calculated that Bombardier has received more than \$3.8 billion in corporate welfare since 1966. In 2017, Ottawa gave Bombardier a so-called loan of \$372 million – the company had been demanding a gift of more than \$1 billion. **t**

EDITOR'S NOTE

In our last supporter survey, many of you said we should share more positive stories. We agree, and we are hoping our new section "Gaining Ground" will become a regular feature each edition. If there is a positive taxpayer story in your community that we should feature in Gaining Ground, please email Todd MacKay at tmackay@taxpayer.com

Government pension plans:

A LABOUR DAY REALITY CHECK



by Jeff Bowes
Research Director

As the last long weekend of the summer approached, and government unions got ready to celebrate, the Canadian Taxpayers Federation took a different perspective.

Each year we do a Labour Day Reality Check comparing the salaries and benefits of government employees to what private sector workers get.

This year we compared government pensions and pensions for the rest of us. We released an analysis of pension plans showing that risky defined-benefit pensions are vanishing in the private sector but remain overwhelmingly common for public employees.

Government workers get very risky, very generous pensions, mostly paid for by people without pensions. Their unions brag about their success in pressuring government into enriching their members but avoid mentioning that it comes at the expense of Canadian taxpayers.

Defined-benefit pensions are risky for employers because they guarantee employees a specific pension payment based on their employment history. The amount is usually based on the number of years of employment and the average of some number of years of salary. For example, the federal government's pension plan provides bureaucrats with

a pension based on their highest five years of salary.

In 1997, 83% of government employees had defined-benefit pensions, compared to only 23% of private sector workers. Now, 80% of government employees have defined-benefit pensions compared to 10% of private sector workers.

Usually employers and employees contribute to a fund to cover these pensions and the funds are invested. If pension plan investments don't perform as well as expected or providing the pensions costs more than expected, the employer still has to pay the guaranteed pension in full. That's why these plans are so risky for employers. If there isn't enough money in the pension fund to cover the guaranteed pension payments, the employer alone has to top up the account. When the employer is the government, that means the you – the taxpayer – have to pay up.

Those types of plans are too risky for most of the private sector and that's why they are becoming less common. Businesses can't afford the risk of huge contribution payments to top up their employee pension plans in the future. Taxpayers can't afford it either, but for now the plans continue in the government sector.

These types of pension plans can also be risky for the workers, but only in the private sector. Nortel, Sears,

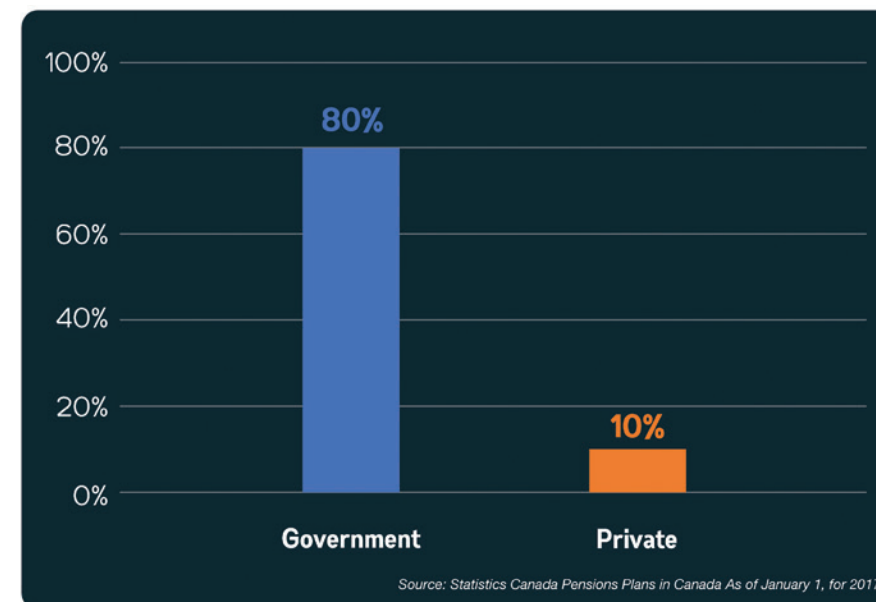


Taxpayers can't afford it either, but for now the plans continue in the government sector.

Canwest, Indalex and various other companies have sought bankruptcy protection, often leaving their workers with reduced or evaporated pension plans. Yet, governments never actually go bankrupt. There are always tax hikes to bailout under-funded pension plans.

Further, governments fear the wrath of powerful unions, so private sector employees are stuck funding these cushy, risky pensions for bureaucrats. That is unfair because most private sector workers don't have a defined-benefit plan; in fact, most don't have a pension plan at all. Including both defined-benefit plans and defined-contribution plans, only 23% of private sector workers have

Government vs. private employees with defined benefit pensions (2017)



an employer-provided pension plan, down from 29% in 1997.

Private sector workers with an employer-provided pension plan mostly have defined-contribution plans. In this kind of plan each employee has an individual account. Usually both the employer, and employee make contribu-

tions to the account, and the funds are invested but unlike in a defined-benefit plan the pension payments aren't guaranteed. The employee is only entitled to whatever is in their retirement account. If the investments do well, the employee will have more saved for their retirement, but if the investments do

poorly they will have less.

That makes defined-contribution plans much less risky for employers. The employer knows how much they have to contribute to the plan every year, and once they make the contribution that is the end of it. Taxpayers should get the same predictability. It's time to reform government pension plans.

What makes this even worse is that there are already huge unfunded liabilities for government pensions. Unfunded pension liabilities are payout obligations for which there is no matching asset or investment. These can occur because the estimates of investment returns or pension payments costs are wrong, but the biggest unfunded liabilities occur when no funds were saved at all.

Before 2000 the federal government didn't have any assets backing government employees' pension plan. Each year's new pension obligation was just added to the federal debt. The government didn't set aside any money; it didn't even save or invest the workers' contributions.

The fund for those pensions is just a number in the government accounts with no assets backing it. Despite there being no actual investments, this imaginary fund gets an annual taxpayer-funded interest payment. This guaranteed investment return on the non-existent federal pension fund costs taxpayers \$7 billion a year.

In 2000, the federal government finally started investing pension contributions. Since then each year's new pension obligations are matched by assets but the existing unfunded liability remains. Total unfunded liabilities for federal government pensions earned before 2000 now stand at a whopping \$166 billion. That is \$4,491 per Canadian.

According to the C.D. Howe Institute, the federal unfunded pension liability is actually \$246 billion, which would be \$6,634 per Canadian. They believe the government is underestimating the cost of the pension benefits and if they are right it means adding another \$96 billion to the federal debt.

Unfunded government pension liabilities mean that when pension funds come up short, taxpayers pay the shortfall.

It is past time governments looked at reforms that will reduce the risk and burden to taxpayers by moving towards more sustainable government pensions. **t**

VENEZUELA

A socialist paradise no more



APRIL 15, 2016
José Villarroel waited for hours in a run-down, filthy emergency operating room at Luis Razetti Hospital in Barcelona, Venezuela, after suffering a stab wound.

Meridith Kohut/The New York Times/Redux



by **Scott Hennig**
Editor-in-Chief

In the fall of 1870, Paris was cut off from all incoming supplies by the German forces during the Franco-Prussian war. Starving Parisians eventually began eating any meat they could get their hands on. It started with horses, dogs, cats and rats, but eventually the zoos were raided and even elephants were on the menu.

After 150 years of progress, it's remarkable that it has happened again. In fact, in August 2017, it looked like things couldn't get worse in Venezuela. Yet, Reuters news service reported that starving Venezuelans were breaking into zoos to steal, butcher and eat the animals.

Two collared peccaries (similar to boars) were stolen from the Zulia Metropolitan Zoological Park in the city of Maracaibo. Also stolen from zoos were a buffalo, two tapirs (an endangered jungle animal that is also similar to a pig), monkeys, macaws, redfish and peacocks. In total, 10 different species were nabbed in zoo thefts.

Sadly, these stolen animals likely suffered a better fate than the 50 animals in the Caracas zoo that starved to death in

2016 due to a lack of animal feed.

Yet, 2017's zoo heists wasn't rock bottom for Venezuelans. Hyperinflation has gripped the country, sham elections re-elected socialist President Nicolás Maduro, store shelves sit empty, threats of a US-backed military coup have everyone on edge, medicine and food are becoming scarce in hospitals and borders are jammed with people desperate to get out of the country (2.3 million Venezuelans have left the country since 2014).

How did a country with the largest proven oil reserves in the world (Saudi Arabia is second, Canada third), with a population nearly the same as Canada (32 million), become an economic basket case with one of the worst humanitarian crises in the world?

In a word: socialism.

Venezuela wasn't always in shambles. From the 1950s to the early '80s, it was one of the wealthiest Latin American countries, with a relatively high standard of living. Oil prices fell in the early '80s, sending the economy into the tank.

Attempted economic reforms in the late '80s and mid-90s were unsuccessful, and inflation grew, eventually hitting

“
Pharmacy shelves are bare as an estimated 85% of medications are no longer available.

100% in 1996. Out-of-control inflation coupled with a banking crisis in 1994 paved the way for a popular former military leader, Hugo Chavez, to be elected president in 1998 with promises of creating a socialist paradise. The populist leader ushered in what he called the Bolivarian Revolution (named after Simón Bolívar, a 19th century Venezuelan who fought in the Spanish-American wars of independence).

Chavez, a self-described Marxist, didn't waste any time implementing his socialist policies. His first initiative paid 70,000 military personnel to repair roads and hospitals, and offer free vaccinations and medical supplies, as well as low-cost (subsidized) food to Venezuelans.

In 2000, oil prices skyrocketed, giving Chavez all the money he needed to enact his campaign promises. In 2001, Chavez furthered his grip on the oil industry, raising royalty rates and passing laws that required government participation in all oil projects. By 2006, all 32 agreements previously signed with private companies had been converted into at least 51% control by the state-owned oil company. In 2000, oil sales made up 85% of all Venezuelan exports.

Chavez attempted to influence the education system by replacing Venezuelan text books with Cuban textbooks that had a heavy Bolivarian bias. In 2000, he launched his own TV and radio shows on the state-owned networks and served as the editor-in-chief of two newspapers he founded. The shows he hosted would sometimes go on for hours with Chavez taking phone calls, quizzing his cabinet ministers, telling jokes, singing and denouncing US foreign policy.

Chavez made many successful (and one unsuccessful) attempts to change the Venezuelan constitution. Each time it was changed, more power was given to the president. In his first constitutional change of 1999, he abolished the bicameral system, giving all the power to a new National Assembly. He also increased the term of president from five to six years, but limited the president to a maximum of two terms. Ten years later in 2009, Chavez reversed the two-term limit for all offices, including his own. Chavez talked of being president through 2030.

Without question, the gush of oil money helped improve the lives of Venezuelans – if only temporarily. Food prices were lowered (through government subsidy and price controls) causing malnourishment rates to drop, gasoline prices were lowered (through government subsidy), poverty rates decreased, literacy rates improved, infant mortality rates dropped, unemployment fell, and more people had access to clean drinking water. But none of these measures were sustainable, because they were all funded by the government with one-time oil revenues and prices enforced by regulation. In 2006, oil revenues made

up 56% of all government funds. However, when oil prices collapsed in 2009, government spending on these social programs did not slow; instead, they were funded by foreign loans.

Early in Chavez's mandate, Venezuela was facing food shortages, due in some measure to government price controls. Chavez responded by nationalizing large parts of the food industry. In 2003 he started the Mercial network, a chain of 16,600 supermarkets, to distribute discounted food. At the same time, Chavez nationalized many privately-owned supermarkets. Unsurprisingly, the Mercial stores featured his picture prominently. Chavez also seized unused farmland from wealthy landowners and redistributed it to be used for farming. By 2009, 6.6 million acres of farmland had been stolen by the government and given to collectives and landless peasants.

The food industry was not the only one nationalized under Chavez's reign. The gold industry was nationalized in 2011, with assets taken over from a Russian company. In 2008, cement production was nationalized, with Mexican, Swiss and French companies bought out by the government. This nationalization was

Bob Rae discovers socialism

The failed socialist experiment in Venezuela should be self-evident to anyone who has paid attention to the Hugo Chavez and Nicolás Maduro régimes, but in late August former Ontario NDP premier Bob Rae tweeted, “Crisis in Venezuela has created over 2 million refugees, unparalleled economic chaos, and great hardship for the people of a country that seemed to have everything going for it. Need to learn how this happened. #venezuela.”

People on Twitter roasted Rae's puzzlement, with many pointing out his own socialist failures as premier of Ontario.

But if Bob Rae honestly doesn't understand what happened in Venezuela, we certainly hope someone passes along a copy of *The Taxpayer* to help him out.



Bob Rae
@BobRae48

Follow

Crisis in Venezuela has created over 2 million refugees, unparalleled economic chaos, and great hardship for the people of a country that seemed to have everything going for it. Need to learn how this happened.

#venezuela

7:31 AM - 29 Aug 2018

315 Retweets 546 Likes





Former Venezuelan president Hugo Chavez in 2008.



Hugo Chavez in better times, examining a government-owned Mercal grocery store shelf, fully stocked in May 2010.



Venezuelan president Nicolás Maduro.

in response to these privately-owned companies exporting cement at prices higher than government price controls allowed. By 2013, cement production had dropped by 60% and shortages were widely reported.

In 2008, a nearly-completed 273-store shopping mall in Caracas was nationalized. Chavez saw the giant privately-owned mall while driving past and demanded it be turned into a hospital instead. The building remains unfinished and occupied only by squatters. In 2009 and 2010, Chavez nationalized a rice mill owned by Cargill, a fertilizer company, and two banks. Other companies or industries taken over by Chavez included a glass container maker, a steel mill, the largest telephone company, the largest private electricity company, a coffee company and a small regional ferry company.

While Chavez died in 2013, the beginning of the end for his Marxist revolution had already started. In 2011, food prices in the capital were nine times higher than the government-mandated price controls, and food shortages were occurring across the country. Imports of food became very difficult thanks to these price controls and a ban on foreign currency. This forced Venezuelans to become extremely reliant on domestic production.

After Chavez's death, his vice-president, Nicolás Maduro, immediately won a special election. Maduro, like Chavez, is a committed socialist, having got his

start as a union organizer and trained in Cuba by senior members of the communist party. He had been hand-picked by Chavez to succeed him. However, unlike Chavez, Maduro has never had significant oil wealth to spend on social programs.

Oil prices crashed in 2009, recovered slightly in 2011, but crashed again in 2015 and have remained low since. Nonetheless, Maduro has maintained the same policies as Chavez. As the situation has deteriorated, Maduro is becoming unpopular. He has combatted this unpopularity by blaming an "economic war" being waged by the United States against Venezuela and through increased authoritarian rule.

And the situation just keeps getting worse. Inflation is out of control. Venezuela's annual inflation rate has always been an issue, bouncing between 12% and 31% from 1998 to 2012. However, it's exploded in the past few years, reaching 159% in 2015, 302% in 2016, 2,818% in 2017 and was slated to hit 1,000,000% in 2018. Media outlet Bloomberg has come up with the "café con leche" (coffee with milk) index to track price inflation. In mid-April 2018, a cup of coffee from a bakery in eastern Caracas cost 1.90 bolivars; in mid-October 2018, that same cup of coffee cost 85 bolivars.

In August, Maduro's government reacted to the inflation spike by lopping five zeros off the end of the currency and introducing a new currency for the country, the "sovereign bolivar." Maduro has even got in on the cryptocurrency game,



Empty supermarket shelves in Venezuela.

Canadians in praise of Hugo Chavez

Support for Chavez and his disastrous policies have emanated not just within South America, but from an assortment of prominent Canadians as well.

Canadian author Linda McQuaig met with Chavez in 2004 and mourned his death in 2013 calling Chavez a "feisty mix of Robin Hood, Che Guevara and Michael Bublé."

Author, activist and co-creator of the Leap Manifesto Naomi Klein added her name to a "we would vote for Hugo Chavez" petition in 2004.

Carles Muntaner, a professor of nursing, public health and psychiatry at the University of Toronto, co-authored many articles praising Chavez, including one upon Chavez's death claiming, "To avoid the destruction of the planet and achieve a just and dignified life for all people, it will take many like Chavez and many Bolivarian

peoples who continue his struggle." Current Alberta NDP MLA Rod Loyola helped organize a memorial tribute to Chavez in Edmonton where people could "express solidarity" and share with the community the "achievements" of the Chavez reign.

In April 2013, the Canadian Centre for Policy Alternatives, a registered charity in Canada, published an article by Asad Ismi that claimed, "Chavez's accomplishments were legion. Not only did he transform Venezuela into a socialist welfare state overnight, but he also led the Latin American Revolution on a continental scale — a revolution which liberated 12 countries in the region from US imperialist domination. This accomplishment made Chavez an international hero to people in the global South and North, who looked

to him as an example and inspiration in their struggle against Western neocolonialism."

Venezuelan-Canadian sociologist Dr. Maria Páez Victor recently retired after teaching for many years at the University of Toronto. She has lavished praise on Chavez in the past, claiming in an interview published by the Canadian Centre for Policy Alternatives in 2008 that "it is truly amazing what Chavez has done." And even as late as 2018 she claimed in an interview, "Venezuela has been a clear victim of a media campaign of lies and exaggerations to vilify a government that the US State Department wants to destroy."

With files from Mark Milke

inventing a new one called the "Petro." It's allegedly backed by the five billion barrels of oil reserves in the remote Atapirire region in Venezuela, though this backing is based on Maduro's word and nothing else. Maduro also increased the minimum wage 34 times its previous level and raised the VAT from 4% to 16%.

Those businesses that have not been nationalized struggle to stay afloat. Since 1996, 20,000 businesses have closed. As of September, only 3,600 businesses remained open in the country.

Pharmaceuticals and medical supplies are also increasingly hard to find. Pharmacy shelves are bare as an estimated 85% of medications are no longer available. Every one of the country's 85,000 HIV/AIDS patients has gone more than a year without their necessary medications and are dying at a record pace. Hospitals are asking patients to bring their own syringes, gloves and medicines if they have a surgery booked. Ailments that were all but vanquished, such as measles and diphtheria, have returned due to a lack of antibiotics and vaccines. In some hospi-

tals, water is unavailable or tainted with bacteria. Cancer-fighting medications are also unavailable and cancer mortality rates have sharply risen.

In May 2016, it was reported that at the University of the Andes Hospital in the city of Mérida, there was not enough water to wash blood from the operating table. Doctors preparing for surgery cleaned their hands with bottles of seltzer water.

Infant mortality rates have shot up, from 0.02% in 2012 to 2% in 2016, as hospitals are unequipped to deal with complex births and malnutrition rates rise across the population.

Food shortages have reached a critical level. A university study in February claimed almost two-thirds of Venezuelans had lost an average of 24 pounds of weight in the past year. And then there are the zoo animal thefts. In fact, thefts of all kinds, particularly of food, are at record levels. Food transport trucks are regularly held up and looted.

As food shortages ravage the nation, Maduro, while giving a lengthy TV broadcast in November 2017 about the

food crisis, pulled out an empanada from his desk and ate it, assuming the cameras had been turned off. Maduro again got caught with his mouth full in September 2018 when pictures were accidentally released of him eating an expensive steak and smoking cigars at the high-end "Salt Bae" restaurant in Istanbul.

Despite the devastation faced by Venezuela and his own gaffes, Maduro was re-elected president in May 2018. The result is in part due to most opposition parties boycotting the election, popular opposition leaders being banned from running and promises from Maduro of prizes to those who voted. Dozens of countries, including Canada, refused to recognize the results of the election, claiming that it did "not adhere to the international standards of a democratic, free, fair and transparent process."

With Maduro in power until 2024, it's unlikely the crisis will get better before it gets worse. One can only hope the human casualties of this crisis serve as a reminder to future Venezuelans of the dangers of socialism. **t**

FEATURE

INTERVIEW WITH A VENEZUELAN FREEDOM FIGHTER Andrés F. Guevara B

When you think of a freedom fighter, images come to mind of a camouflaged-draped, AK-47-toting commando. However, in today's Venezuela, those facing the greatest danger are more likely to wear a suit and tie.

Political opponents to President Nicolás Maduro have faced incredible persecution. Many have fled the country to Colombia or Spain to avoid imprisonment or death.

Andrés F. Guevara B is a journalist, professor and lawyer in Venezuela. He was born in Caracas and has lived there his whole life, except for three years in the mid-80s when his family lived in Colorado. He has several degrees, including in journalism, law and a master's in finance. He is currently working on his PhD in law. He is also a senior fellow at the Center for the Disclosure of the Economic Knowledge for Freedom (CEDICE).

On behalf of CEDICE, Andrés has travelled overseas to attend World Taxpayers Association events. The Canadian Taxpayers Federation first met Andrés at the World Taxpayers Conference in Berlin in 2016.

The CTF recently caught up with Andrés to see how he and CEDICE are faring.

Scott Hennig: What's your job at CEDICE?

Andrés F. Guevara B: First, as a university student, I was co-ordinating CEDICE Joven, our youth wing. Then I was in charge of the development of the Fred-eric Bastiat reading circle. Since I graduated, my fundamental work in CEDICE has been researching issues related to law and economics. Additionally, I am a spokesperson for the organization in different social media and at various events, talks and conferences.

SH: What kind of work does CEDICE typically do?

AG: CEDICE is fundamentally a think tank that has the task of spreading ideas of individual freedom. For more than 30 years, its promotional work has been

very varied: publication of books and studies, sponsorship of events, discussions with public authorities, speaking events, training programs, measurement of economic data and programs in the media.

These activities, of course, have varied in intensity depending on the resources available and the political and economic situation in Venezuela.

SH: What reaction are you getting to your efforts?

AG: In general, our work does not fall into a vacuum. The ideas of freedom have awakened interest in many people, and CEDICE is a point of reference for those who seek these ideas in Venezuela. However, statism is deeply rooted not only in the government, but in much of the political culture of the opposition. There is a lot of work to be done.

SH: As living conditions have got worse, how have the citizens reacted? Are they inclined to blame foreign forces or their own leadership for the crisis?

AG: Many Venezuelans, including some in good faith, believe government propaganda and their theory of the "external enemy" that undermines the efficiency of the Venezuelan government.

However, the citizens mostly feel that the government is responsible for the crisis. After all, they have been in power since 1999, almost 20 years.

The world must know that those who do not agree with the government have followed all possible legal paths to facilitate a transition of power: marches, elections, protests, demonstrations, referenda and international outreach. However, it has reached a point of exhaustion in which there is no way out and this has led to people deciding to flee the country, with all the problems that entails.

And being fair, the fault is not only with the government. The opposition has also failed to capitalize on its aspirations and its followers have been disappointed.

SH: If oil prices rebounded tomorrow, would that solve most of Venezuela's problems?

AG: Hardly. Venezuela's problems transcend the economic, which in itself is complex. The country is heading toward disintegration and the destruction of social co-operation and that is something more serious than the simple fact that our economy has contracted to the size it was in 1950.

The recovery of the economy passes first through the recovery of institutions, the rule of law and access to justice. Venezuela must return to being a habitable country for human beings.

SH: How hard is it to get food? How do you obtain food on a daily basis?

AG: Very difficult. After the death of my father (which occurred this September due to cancer) I think that the lack of food is the aspect that has hit me the most in 2018.

I live in Caracas and I was considered until recently a middle-class person. However, I have lost approximately eight kilos (17.6 pounds) this year. My eating habits have changed because the country does not get enough protein, so I basically eat carbohydrates.

And I want to be emphatic about this: even if you have money, you may not get the food you're looking for, even in sectors that could traditionally be considered rich in the country. You can spend several weeks looking for eggs, beef or chicken. Before I ate them daily. Now I do so only on special occasions or to indulge myself.

If this happens to me, living in Caracas and able to generate a certain income, I do not want to imagine how the rest of the country is doing. It is understandable that people are migrating desperately. It is about life itself.



SH: What does a typical day look like for you these days?

AG: I am afraid of becoming an insensitive person, of forgetting the things that really make us human.

My life in Venezuela is full of contrasts. Since my work in CEDICE and in the academic institutions is fundamentally an "honorary" work and subject to the approval of very narrow budgets, I must look for income from other sources.

In my case, I practise as an independent lawyer and I am the substitute director of a local brokerage house.

Every day, I really wonder what I am doing with my life. The picture is not encouraging. The first thing is that you no longer eat breakfast as before. Almost always it's just a banana and some tea, with an arepa (like bread, made with corn flour). On lucky days I eat eggs or tortillas with some juice, and that's like winning the lottery.

After that there's lunch. I used to eat in places that sold food for executives but now prices are simply too expensive. Many times, I am able to eat so little that I remain hungry.

Before, one could sell foreign currency and beat hyperinflation, but now even that does not guarantee one may eat well.

Food has such a fundamental importance in my life now that I spend a good part of the day thinking about what I'm going to eat and how I'm going to get it.

SH: What does your drive to work look like?

AG: With my clothes hanging loose due to weight loss, I go to my work. Two hundred metres from my house there is a market. It is usual to see long lines of people looking for regulated products that occasionally arrive. The rest of the time, the market is empty. And like the neighbouring bakery, they close earlier and earlier because they have no merchandise to sell.

Twenty metres farther, I must drive carefully. For more than two months the traffic light has not worked and nobody repairs it. You also have to be careful with the drain covers, since the authorities simply do not have new parts to replace them. Falling into a sewer is a sure death for your car and your budget.

On the way to work, I observe the peeling residential buildings. There is no maintenance and many people have simply left their homes and left every-

thing behind. I also see the car park, which is getting older and decrepit. I'm in an 18-year-old car myself. And I'm lucky. Most people make long lines to get on public transport. You can spend hours waiting for a bus, if it arrives. It is increasingly difficult to move around the country, not only by land but by air. There are literally isolated cities and people who no longer go to work because of transportation.

Usually I must go through two police security posts that, far from monitoring, instead extort bribes with some bureaucratic "requirement."

In La Castellana, inevitably, every morning hundreds of people crowd into the ground floor of the building where I work. The consulate of Spain is there, so every day I see hundreds of people looking for any excuse to become Spanish and flee from here with their new nationality. The scenario is the same in other consulates or embassies.

SH: You mentioned you worry about becoming insensitive, what do you mean by that?

AG: I have seen things that I would rather forget. Women fainting in line at the market. People fighting over a sack of flour. People eating scraps of garbage. Barefoot children scavenging for food.

I even had to wait several days for my father's funeral; in some villages people bury their dead in the garden, given the shortage of urns.

Something happens every day that makes me feel I have lost sensitivity. Life here has become so dry that one ends up becoming cold and indifferent towards situations that are contrary to humanity.

Still, there are certain things that I regard as positive in Venezuela. First and foremost, I can share time with the closest family members who remain in the country. Certain nights I am able to walk in the street with my dog. And the weather in Caracas ... well, that's the first thing that I miss each time I go out of the city.

SH: I've read that getting cancer treatment can be hard because of a lack of drugs. Did this factor into your father's death?

AG: His illness was terminal, but it might have been possible to extend his life a little with treatments and medications that are simply prohibitive for most Venezuelans. My father, like millions of

compatriots, did not have health insurance in foreign currency, which is, in essence, a death sentence in a country where a Band-Aid or a Tylenol is a luxury.

Aside from the food shortage, the health care crisis is the most heartbreaking. Everyone here has lost someone due to the medical situation, often over things that could have been prevented or avoided in a moderately functional country.

SH: Because of your work, do you fear the government personally? As in, political opponents have been getting locked up or exiled. Do you fear that?

AG: I am afraid of the government, especially in recent times. The government has shown that there is no limit to what it will do to remain in power. On the contrary, as time goes by, the administration is becoming more and more ruthless toward those who oppose it.

I am afraid to end up in jail, tortured or even killed. In fact, almost every Venezuelan is. Please note that you can come to a terrible end here even without being a politician or a political activist. There is enough evidence showing innocent people in jail or forced to run because of government's policies. They are always trying to find a scapegoat for any failure.

As the failure of socialism becomes more evident, the tolerance threshold of the government has shrunk, so things or details that in the past were irrelevant now become a threat to the government: a word, a symbol, an attitude.

If things continue in the same course, I will be forced to leave.

SH: Do you have friends or family who have left the country in the past few years?

AG: Most of my closest people are no longer in the country. I feel like Uncas in The Last of the Mohicans.

SH: You've travelled internationally to places like Berlin, Spain, Peru, etc. Have you ever been tempted to not return?

AG: I have been very tempted to leave and not return. As long as things continue as they are, my life in Venezuela is withering. It is harder every day not to think about leaving.

I have not left because I still have people in Venezuela that I simply cannot leave — loved ones who need me.



Additionally, I have a sense of honour and gratitude for those who believe in me. I owe CEDICE many things, both professionally and personally. That's why I feel good helping to spread ideas of freedom. I would not feel comfortable leveraging myself on the organization and its allies to leave the country. It would not be ethical.

If I have to leave Venezuela, let it be on my own merits and always with the purpose of continuing to spread ideas of freedom wherever I go.

SH: Are the most recent economic reforms (raising the VAT, re-setting the Bolivar, curbing fuel subsidies, increasing the minimum wage, etc.) helping or hurting the situation?

AG: Those measures are a match that goes straight to gasoline. The country became a ghost town. And hyperinflation increased. It is an authentic Armageddon made of centralized planning and the worst vices known by the socialist governments of the past.

SH: Before the re-setting of the Bolivar, how were you paying for things? All electronically or did you have to keep stacks of currency around?

AG: I have paid everything electronically, except gasoline that I pay for with cash or with some edible goods that I give to the employee of the gas station.

SH: How did wages get adjusted to reflect the inflation? Were Venezuelans getting a pay hike every week?

AG: Most private companies are only paying the minimum wage in bolivars to comply with the law. The rest they are paying in dollars or in cryptocurrencies. Others pay in bolivars at the equivalent of the unofficial exchange rate, or simply make weekly salary adjustments.

The harsh reality is that government measures fostered the existence of a labour black market.

SH: What do most Venezuelans see as the solution to the crisis? More government intervention or less?

AG: Frankly, what most Venezuelans are waiting for is a miracle that changes things. Now, on the issue of government intervention, there are conflicting opinions. Although many have discovered the importance of limited government, overcoming the vices of state paternalism is not an easy task. An important barrier preventing the transition to freedom is built by lobbyists who do not want government intervention and favours to end.

SH: There has been talk of foreign intervention, possibly with military force. Do Venezuelans fear or welcome that potential?

AG: It is a very polarizing issue. There are those who believe that Venezuela can only get out of this problem with international help. Under the current conditions, I am a supporter of this vision. The underlying theme is how and who develops that foreign movement.

Others think, however, that a foreign intervention can dismantle the country more. They argue that we know how interventions begin but not how they end.

Humbly, I think that Venezuelans lost the ability to solve this problem on their own.

SH: Do you see the crisis getting better or worse?

AG: The situation will continue to get worse and worse. In all fields. I do not know a socialist system that improves by deepening its intervention in human life.

SH: If you were made president tomorrow, what changes would you make to fix Venezuela?

AG: Although it may sound romantic, the first thing I would do is work for citizens to believe in their country again.

After decades of devastation, I believe that the main problem we face is anthropological. The government has sought to annul us as individuals. Venezuelans must once again find meaning and purpose for their life in the country. That is why the existence of freedom is so important, because only freedom allows you to conquer your happiness and fulfilment.

For more information on CEDICE, you can visit their Spanish-language website at: cedice.org.ve

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So just what is the ‘notwithstanding clause’?



by Aaron Wudrick
Federal Director

Recently, several high-profile court cases in the news have led to increased public discussion about Section 33 of the Charter of Rights and Freedoms, also known as the “notwithstanding clause.”

Whether the federal Court of Appeal overturning approval of the Trans Mountain Pipeline expansion, or the Ontario Superior Court’s striking down of a law to reduce the size of Toronto’s city council, there is a lot of confusion about just what Section 33 is, and how it works.

In short, Section 33 allows a federal or provincial government to uphold a law even when a court has found that law to be unconstitutional (i.e. to violate the Charter of Rights and Freedoms).

Some history is in order. The clause has its roots in the 1960 Canadian Bill of Rights, which included a provision to allow governments to pass laws “notwithstanding” them running afoul of the Bill of Rights. The current clause was a key part of establishing the Charter of Rights and Freedoms in the first place, as it gave several provincial premiers (including the premiers of Saskatchewan and Alberta) an assurance that their governments would have recourse in the event they disagreed with a decision made by the courts. Then-prime minister Pierre Trudeau was opposed to including the clause, but in the end was forced to accept its inclusion as the price of securing agreement on the Charter, which passed into law in 1982.

The clause is also limited in application: it can only apply to certain sections of the Charter, namely Sections 2 and 7 through 15 (see chart). For example, a government can use Section 33 to override a court decision that finds a law violates freedom of expression (a Section 2 right), but cannot use it to override a court decision that says a law violates the right of every Canadian citizen to vote (a Section 3 right).

A common misunderstanding is to suggest that invoking Section 33 is “overriding the Charter.” For starters,

Charter of Rights and Freedoms Sections	Can Section 33 be used to override?
1 – Reasonable limits (“as can be demonstrably justified in a free and democratic society”)	No
2a – Freedom of conscience and religion	Yes
2b – Freedom of thought and belief	Yes
2c – Freedom of peaceful assembly	Yes
2d – Freedom of association	Yes
3 – Right to vote	No
4 – No Parliament or provincial legislature shall sit for five years without an election (except during war)	No
5 – Every Parliament and provincial legislature must sit at least once per year	No
6 – Right to enter and leave Canada and right to live in any province	No
7 – Right to life, liberty and security of person	Yes
8 – Right to be secure against unreasonable search and seizure	Yes
9 – Right not to be arbitrarily imprisoned or detained	Yes
10 – Rights upon arrest to be informed of reasons why and the right to counsel	Yes
11 – Right of arrested persons to be told of offence and to be tried within a reasonable time etc.	Yes
12 – Right not to be subjected to cruel and unusual treatment or punishment	Yes
13 – Right not to be have testimony given in one criminal proceeding be used in a different proceeding	Yes
14 – Right to an interpreter	Yes
15 – Right to equal standing before and treatment under the law without discrimination based on race, ethnic origin, colour, religion, sex, age or mental or physical disability	Yes

Use of the “notwithstanding clause”

Section 33 has been used very rarely and has only been invoked by provincial governments with the following main examples.

Quebec (1982-85): Aftermath of the Charter

As Quebec did not consent to the 1982 constitutional compromise that produced, amongst other things, the Charter, the province legislated the Act Respecting the Constitution Act, 1982, in which it invoked a “blanket” notwithstanding declaration in order to make all past and future provincial legislation (up to 1985) immune from the Charter. The declaration was allowed to lapse following the election of the more federalist Liberal Party of Quebec in 1985.

Saskatchewan (1986): Back-to-work legislation

In 1986, the Saskatchewan government introduced back-to-work legislation to end a strike by public service employees, based on the grounds it needed to protect the public from the harm associated with the disruption of government services caused by the strike. The courts later ruled, however, that the Charter did not include the right to strike, and so the Section 33 declaration by the Saskatchewan government turned out to be unnecessary.

Quebec (1988): French sign laws

In 1988, the Quebec government had passed laws requiring all commercial signs in the province (both inside and outside of establishments) to be in French only. The law was challenged by several individuals and groups as a violation of their rights to freedom of expression under Section 2(b) of the Charter. The Supreme Court agreed, and in 1988 ruled that a prohibition of the use of languages other than French was an unreasonable limitation on the freedom of expression.

The Quebec government responded by amending the original law to permit other languages on signs inside of

commercial establishments, but continued to prohibit the use of any language other than French on exterior signs. Additionally, the Quebec legislature invoked Section 33 to protect the amended legislation from any further judicial review under the Charter. When the five-year time limit for the declaration expired, it was not extended by the Quebec legislature. Instead it passed a new law, allowing signs in both languages, but only as long as French was the predominant language displayed.

Alberta (2000): Definition of marriage

In 2000, the Alberta legislature passed Bill 202, the Marriage Amendment Act, which re-asserted the definition of marriage as a union between a man and a woman, excluding gay couples, and included a Section 33 declaration. The declaration, however, turned out to be mainly symbolic, as the Supreme Court of Canada later ruled that the ability to define the term marriage was a federal issue, and was outside provincial jurisdiction. (A Section 33 declaration cannot be made for policy areas that are outside a government's jurisdiction.)

Saskatchewan (2017): Funding non-Catholic children in Catholic schools

In 2017, the Saskatchewan government invoked Section 33 in response to a court decision that ordered the government to stop funding the cost of non-Catholic children to attend Catholic schools. The court had found that providing public funding to non-Catholics to attend only Catholic schools (but not any other type of religious school) was a violation of section 15 of the Charter because the existing funding structure “played favourites” by allowing Catholic institutions to receive public money for students who were not Catholic. The Saskatchewan government argued that forcing non-Catholic children into public schools would be impractical and lead to overcrowding, and so invoked Section 33 to allow the status quo to continue.

as it is itself part of the Charter, this is logically impossible. A better way to think of Section 33 is the government overriding one specific interpretation of the Charter by one judge in one case. Judges may have more expertise in law than most people, but they sometimes make mistakes. That is why we have an appeals process; most court cases can be appealed at least twice – once to a provincial court of appeal and then to the Supreme Court of Canada. In effect, Section 33 is simply a way for elected governments to express their disagreement with judges in a specific decision.


The government's ability to invoke Section 33 also only lasts for five years (although it can be invoked again). The reason for this is to allow an election to take place (which must be held at least once every five years) to give the public an opportunity to express its support or opposition to the government's choice to invoke the clause.

Looking at the two recent high-profile cases mentioned earlier, the notwithstanding clause does not apply in the Trans Mountain case, because the court's decision was not based on a

“There is reasonable debate to be had around the existence and use of the notwithstanding clause.”

finding of a Charter breach. In the case of Toronto city council, it did apply, because the court found a violation of Section 2(b) of the Charter regarding freedom of expression. (Although Premier Doug Ford's government ultimately did not need to invoke Section 33 because the original decision was suspended, it had publicly threatened to and introduced draft legislation that included it.)

There is reasonable debate to be had around the existence and use of the notwithstanding clause. After all, the very point of the Charter was purportedly to constrain governments from violating the rights of individual Canadians, and having an “override” for government can defeat the whole point. However, it is important to keep in mind that the power of courts to override government decisions is a feature that does not exist in every free, developed country. It is also very rarely used; Section 33 has only been invoked a handful of times (see Use of the “notwithstanding clause”), primarily in Quebec.

It is notable that Jean Chrétien, who was justice minister in Pierre Trudeau's government responsible for negotiating the Charter, described the notwithstanding clause as “providing flexibility” to “ensure that legislatures rather than judges have the final say on important matters of public policy.” This debate about who should have the final say has led to different approaches in different countries (see Courts or legislatures: who should have the final say?). 

Courts or legislatures: who should have the final say?

Many commentators who oppose the use of Section 33 on the basis that it jeopardizes “fundamental rights” overlook the fact that in several countries with which Canada shares a common historical, cultural and legal heritage (such as the United Kingdom, Australia and New Zealand), courts do not even have the power to strike down laws at all, and so there is no need for any equivalent of Section 33. It would be very hard to argue that these countries are not free or democratic or that human rights there are under perpetual threat.

A key feature of this common heritage is the concept of parliamentary supremacy, which holds that the

elected branch of government, which is directly accountable to the people through elections, should have the final say in any dispute with the courts, which are not elected. When people speak of “judicial activism,” they usually mean instances where a court is overstepping its bounds by not simply applying the law, but by actually *making* law through novel interpretations. Without a mechanism like Section 33, there would be no recourse for any government to push back, which would be a violation of the concept of parliamentary supremacy. In effect, it can be argued that having a Charter of Rights *without* Section 33 would in fact be highly undemocratic.





Vic Hnatyszyn from Calgary asks:

Why do some provinces get so much in equalization and other provinces get nothing?

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Jeff Bowes,
Research Director
answers:



by Jeff Bowes
Research Director

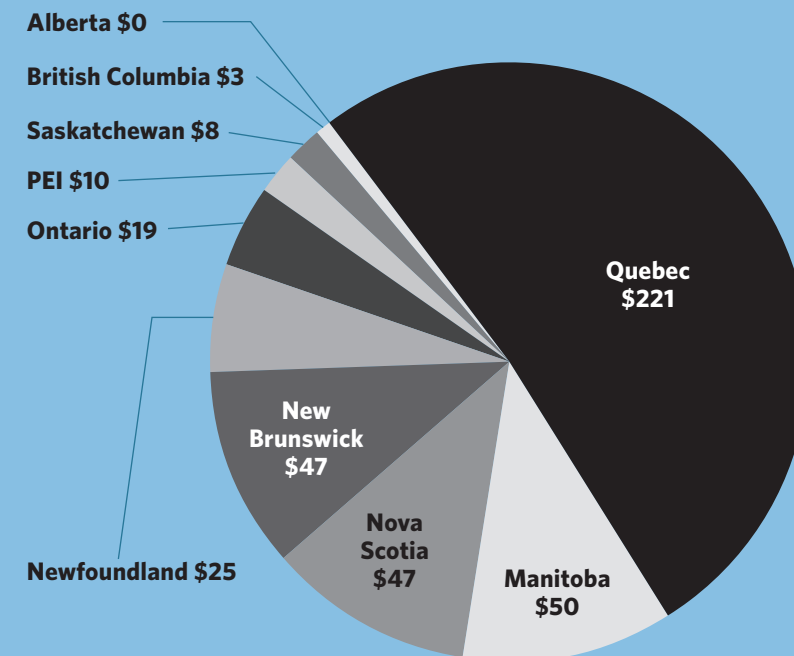
Equalization is a federal program that makes transfer payments to so-called “have-not” provinces, intended to guarantee a comparable level of public services across the country. This year alone, the program will cost taxpayers \$19 billion, with almost \$12 billion of that going to Québec. Those funds come out of general federal revenue, so all Canadian taxpayers pay into the program, but only those in have-not provinces get anything back.

All provinces have collected some equalization, but some have collected much more than others. Manitoba, Québec, New Brunswick, Nova Scotia and Prince Edward Island have received equalization payments every year since the program started in 1957.

Newfoundland was a have-not every year up to 2008 and Saskatchewan has collected equalization in most years. However, neither province has received equalization for more than a decade. Ontario didn’t collect any equalization until 2009 but has counted as a have-not province every year since then. British Columbia only received equalization in the first five years of the program and another seven years in the 2000s. Alberta has qualified the least often, last receiving equalization in 1965.

To determine which provinces are have-nots the federal government assesses the provinces’ “revenue capacity.” It isn’t based on actual revenue, but a measure of the theoretical ability of the province to collect revenue. For instance, for Alberta it includes revenue capacity from a provincial sales tax

\$430 Billion in Equalization since 1957 (in billions)



even though Alberta doesn’t have one.

It accounts for five revenue categories: personal income tax, business tax, consumption tax, property tax and natural resources. If a province has revenue capacity below the national average, it probably gets equalization. The size of the have-not provinces’ payment is the difference between its revenue capacity per person and the Canadian average, multiplied by the province’s population. The details are a bit more complicated but the complexity and changes over time have resulted in the same provinces continually receiving payments.

Since its introduction, equalization has transferred \$430 billion to have-not provinces. Québec has received the largest payment every year and has collected a total of \$221 billion in equalization, more than half of the total. The second-highest recipient is Manitoba,

with \$50 billion in transfers, followed by Nova Scotia with \$47 billion. Alberta has received the least by far, with total payments of only \$92 million.

Québec’s large equalization payments are because of both its long-term have-not status and its large population. Over the history of equalization, Québec has collected an inflation-adjusted average of \$776 per person per year, compared to \$1,967 for PEI and \$1,624 for New Brunswick. For BC, it is only \$15 per person per year and for Alberta \$10.

Earlier in 2018, the Justin Trudeau government quietly extended the equalization formula for five years. So, it is unlikely that much will change until after 2024. If a federal government wanted to eliminate equalization it has another problem; the concept of equalization was included in the Constitution.

The Constitution Act 1982 states: “Parliament and the government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.”

However, “reasonably comparable levels of public service” isn’t defined and the equalization formula doesn’t account for levels of public service at all. It only accounts for revenue capacity, not levels of service or spending. Arguably, some have-not provinces provide greater levels of public service than the have provinces.

Equalization isn’t the only major federal transfer program. It’s not even the biggest, or the only one meant to help provide comparable levels of public service. The Canada Health Transfer is supposed to help fund the health care system, and to do so will transfer \$39 billion to provinces this year. The Canada Social Transfer is supposed to support education and social services and to do so will transfer another \$14 billion to the provinces.

These transfers are less controversial than equalization because they are distributed to all provinces on a per-person basis. However, they also transfer funds from have provinces to have-nots. The transfers per person are the same for all provinces, but the contributions to federal tax revenue aren’t. With higher wages, business profit, investment and spending, prosperous provinces pay more federal tax. The result is another “hidden” transfer of funds from have provinces to have-nots. **t**



by **Dwight Newman**
Contributor

By now, a lot has been said about the Trans Mountain Pipeline debacle. Many things have gone wrong for Canada to have spent \$4.5 billion of taxpayer money to buy a pipeline project only to face an August 2018 Federal Court of Appeal ruling that blocks construction. This latest decision arises largely from conclusions on indigenous consultation, but we can situate it in a broader context.

What went wrong? A common theme runs through many of the elements of the situation. That is one of role confusion; let's even call it "role dysphoria."

Think back to the period when the new Green-NDP government of Premier John Horgan in British Columbia commenced various strategies to interference

with the pipeline. As promised before the election, they looked for "every tool in the toolbox" to stop the pipeline. The BC government took steps to try to create legal uncertainty. It gradually posed threats of provincial regulation of pipeline contents. None of this was constitutional; it was all role dysphoria.

Exclusive jurisdiction to make decisions about interprovincial pipelines and necessarily associated matters is located at the federal level. A pattern for confusion about this had already been set in prior years, including by former BC premier Christy Clark's "five conditions" for pipelines. The federal government had tried to deal with those conditions through diplomacy. It is easier to say in retrospect, but maybe that was a mistake that started some of the confusion about roles.

In any event, the federal government has certainly had some recent role dysphoria of its own. In the face of Horgan's defiance of the Canadian constitution, Prime Minister Justin Trudeau did little to react, even after Kinder Morgan announced in April 2018 that it needed a

clearer legal environment to be able to proceed.

Trudeau talked big but eventually took the federal government out of its legal leadership role into becoming a private sector pipeline builder. More role dysphoria.

That brings us to the August 2018 decision of the Federal Court of Appeal. Reviewing the federal cabinet's 2016 approval of the project, the Court held that the project must be halted and the approval cancelled. The Court said that the National Energy Board (NEB) should have scoped its analysis differently and considered certain effects of marine shipping associated with the project. And, perhaps most significantly, it said that the last phase of federal government consultation with indigenous communities in 2016 had been executed inadequately. The Court said the federal government must correct these two things and then reconsider the project approval at cabinet.

The interpretation of the NEB Act on marine shipping arguably showed the Court misinterpreting the NEB's statutory role. But the courts are performing their role so slowly that it is more efficient for the federal government to comply than to appeal. Right in itself that is a role

problem — whatever one thinks of the legal issue, the court system does not provide efficient, timely decisions in the context of a multi-billion-dollar project where time is of the essence.

The indigenous consultation point is complicated. But let's focus on two key points that relate to roles. First, there are some challenges in interpreting exactly what the Court did here. The basic legal rules concerning the duty to consult are relatively clear. The challenges come with applying those rules to the highly variable circumstances where the duty to consult arises. There is a credible argument to be made that the Federal Court of Appeal analyzed what the government had done more stringently than the law suggests that it should have. That is a very complex point, and it relates to principles of an area called "administrative law" that the Supreme Court of Canada is entirely reconsidering in the months ahead. So, while this point pertains to the role of the courts in maintaining stable goalposts, let's not bog down here.

Second, the Court decision said that the federal government in the second half of 2016 (after the NEB recommended the project and before the final cabinet consideration of it) failed to execute on consultation. According to the Court, this was mainly because the government's consultation efforts did not involve someone with the confidence of cabinet and because it sent note-takers to hear community concerns and never responded to those concerns.

What is interesting here is that after the NEB recommended the project and through the second half of 2016, the natural resources minister established a special ministerial panel to hear further community views and write a report that would go to cabinet. But the government declared in advance that this panel was not part of duty-to-consult efforts. Pursuant to that government determination, the Court decision rapidly discarded the panel as not relevant to consultation.

However, had a panel much like the one created not been ruled out of the duty to consult, it very likely would

have met the Court's requirements. Instead of focusing on its necessary legal roles, the government set up the panel as a warm and fuzzy "social licence" endeavour and thereby failed to fulfil legal obligations on consultation. Role dysphoria strikes again and now the government has to redo things.

Understanding the Trans Mountain debacle gives rise to a call for overcoming role dysphoria and getting all organs of government back to their constitutionally prescribed tasks. Refocusing all governments on their constitutionally mandated and constitutionally constrained roles, refocusing courts on their specific decision-making tasks in a timely way, and getting everyone back to their proper roles may not appear an easy prescription. But it is a necessary one if Canada is to function and prosper. **t**

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Role dysphoria and the Trans Mountain Pipeline

BY DWIGHT NEWMAN



Death taxes in Canada should stay dead and buried

By Aaron Wudrick, Federal Director, and Jeff Bowes, Research Director

Everywhere they look, Canadians face the prospect of more taxes: escalating beer taxes, higher payroll taxes and carbon taxes, just to name a few. The fact is that Canadians are taxed from nearly cradle to grave – and if some commentators pushing for a new death tax (inheritance tax) have their way, you could be taxed beyond the grave as well.

These proponents see death taxes as an easy tax grab. After all, the people technically paying them are dead and in no position to fight back. Additionally, they frame death taxes as a way to reduce inequality by sharing out the proceeds of rich people who have passed on, rather than allowing plutocratic dynasties to stay rich forever by passing money on to undeserving heirs.

These proponents are wrong. A death tax is a terrible idea, for a whole host of reasons.

First of all, it is a myth that people passing their estate over to their kids ensures those kids will stay well off forever. A recent study from the Canadian Centre for Policy Alternatives (one of the groups that supports a death tax) shows that in 2016, nearly half of Canada's 87 richest families weren't heirs to any fortune and that by the third generation a mere 18% of the ultra-rich owe their status to the simple luck of having

“
Death taxes effectively double tax these Canadians and create strong perverse incentives against long-term saving and investment.”

wealthy forebears. In other words, for the vast majority, the huge advantage of inherited wealth naturally dissipates over time and income inequality does not automatically perpetuate itself across generations.

To be clear: good reasons to oppose death taxes do not include "they're awful for the children of the wealthy" or "we should feel extra sorry for the recently departed rich." The real problem with death taxes lies in what they do while their eventual targets are still alive.

Death taxes effectively double tax these Canadians and create strong perverse incentives against long-term saving and investment. They impose a penalty on saving and future consumption by taxing it at a much higher rate than current consumption, meaning thrifty people who save and invest end up paying far more tax than profligate ones who fritter their money away. From a society-wide standpoint, this is bad: it means less economic growth, less job creation and slower improvements in living standards for all.

We also need look no farther than the United States, where an entire industry helps people hide money from death taxes, to see that they create a big incentive for aggressive estate planning. This again reduces economic growth and job creation, while simultaneously frustrating the main objective of the high-tax crowd (more revenue!). Even under our existing tax code, billions in assets are parked offshore to help avoid taxes; a death tax would make this problem far worse.

While it's true that Canada is currently the only G7 country currently without a death tax, broadening the analysis shows that the global trend has been to ditch them. Australia and Norway abolished theirs in 1979 and 2014 respectively. Sweden did away with its death tax in 2004, which at its peak had been set at an eye-watering 70%, causing many wealthy Swedes to leave the country altogether.

And despite arguments of easy revenue, in OECD countries the proportion of total government revenues raised by such taxes has been falling since the 1960s as wealthy individuals get better and better at using legal loopholes to minimize their tax burden.

Finally, there's no empirical support for the assertion that the absence of a death tax in Canada is causing inequality. Post-death-tax Sweden remains a relatively egalitarian country, suggesting a death tax is not a prerequisite to fostering societal equality, while the US and United Kingdom, which both have death taxes, remain more unequal than death-tax-free Australia, Norway and Canada.


It's understandable that some activists, who never met a government program they didn't like, will always be on the hunt for new revenue to fuel an ever-expanding government. But what

Inheritance taxes vs probate fees

Inheritance tax is a tax on the bequest of any asset, including money, property, shares and anything else of value. It is also commonly known as a death tax. Technically, it's an estate tax if paid by the estate and an inheritance tax if paid by the beneficiary, but in both cases, it reduces the inheritance. Tax rates can depend on the total value of the estate, size of an inheritance and kinship with the deceased.

Probate fees are paid to the province to validate the will and give executors the authority they need. However, some provinces charge fees that are higher than the cost of probating the estate. In Alberta the fee is a maximum of \$525 and in Quebec it's a flat fee of \$202. However, in other provinces there is no maximum. For instance, Ontario's probate fee is 0.5% on the first \$50,000 of the estate and a 1.5% fee on the value above that.

tever their superficial appeal, death taxes are a bad way to raise revenue, while causing major, detrimental side effects.

The good news for now is that the only people calling for death taxes are outside of government. The Justin Trudeau government itself has not sent any signal that it intends to pursue a death tax. Unfortunately, given its openness to other new taxes generally, the possibility can't be ruled out entirely. The CTF will push back against any new plans to hit Canadians with death taxes and with any luck they will stay buried for good. 

SIGN OUR PETITION OPPOSING A NEW INHERITANCE TAX



To help build momentum against any new inheritance tax, please sign our petition asking the Trudeau government not to implement one. You can find the petition (and all our other current petitions) on this page on our website: www.taxpayer.com/resource-centre/petitions/

History of inheritance taxes in Canada

There haven't been inheritance taxes in Canada since 1986, but before that they had a long history.

First introduced in 1892 by provincial governments in Ontario, Quebec, New Brunswick and Nova Scotia, death taxes were in place in all provinces by 1905. Newfoundland wasn't a province yet, but had introduced a death tax in 1914. A federal tax was introduced in 1941.

One reason the tax fell out of favour is double taxation. Rules on when inheritance tax was payable could conflict and too often that meant tax was owed on the same asset to more than one province. Should the tax be paid to the province the deceased person lived in? Or the province where the asset is located? Or maybe where the person inheriting the asset lives?

A federal inheritance tax was introduced by then-prime minister Mackenzie King, and was payable by taxpayers who died after June 13, 1941. At first the provinces stopped

collecting inheritance tax in return for a transfer from the federal government, which solved the issue of double taxation. However, the primary reason for the federal tax wasn't to eliminate double taxation, it was to raise revenue. The government said the tax was needed because of the Second World War, but admitted that it wouldn't be temporary.

The simplicity of a single federal tax didn't last. After the war, Ontario and Quebec reintroduced their own taxes and in 1963 British Columbia did too. This complicated the tax system, and eventually the difference in tax rates between provinces became unsustainable.

In 1967 Alberta began refunding the provincial share of the tax and two years later Saskatchewan did the same.

Around the same time, the federal government last overhauled the tax system. In 1967, the Royal Commission on Taxation proposed ending the inheritance tax but

also expanding the income tax to include the increased value of assets, commonly known as capital gains tax. The recommendations would have meant a tax on capital gains paid by the estate and also income tax paid by the inheritor. That would have led to even more double taxation and the federal government rejected the proposal.

In 1971 then-prime minister Pierre Trudeau introduced tax reforms that avoided that double taxation. He eliminated the inheritance tax and introduced a capital gains tax – but unlike the full inclusion recommended by the commission, only half of capital gains were included as income.

Essentially, capital gains tax replaced the inheritance tax. Capital gains are taxed when a taxpayer sells an asset, gives it away or when the taxpayer dies, with exemptions for transfers to spouses and for certain property. The Pierre Trudeau government explained it needed “to tax accrued

gains at death to prevent the perpetual deferral of tax.”

The introduction of the capital gains tax was an important factor but so was the disparity in provincial taxes. The government explained, “Two provinces now return their entire share of estate taxes to estates and it is no longer possible to establish a uniform national system of death duties through federal legislation. In these circumstances, it has been decided that the federal government will vacate the estate and gift tax field.”

After the federal repeal, Alberta had no intention of introducing its own tax, but all the other provinces did, even in Saskatchewan where the NDP had recently won an election. However, this didn't last for long.

Prince Edward Island changed its mind before any tax was even collected. Nova Scotia didn't want to lose investment to the island “tax haven” so it announced the end of its tax in 1973. A month

later New Brunswick blamed tax policies in other provinces when ending its tax. Newfoundland soon followed.

In the West, NDP governments in BC, Saskatchewan and Manitoba continued the tax for a while longer. Then a Social Credit BC government ended its tax in 1977, and later that year the NDP government in Saskatchewan followed. In 1978 a newly elected Conservative government ended the tax in Manitoba.

Ontario ended its tax in 1979 and explained, “the continuation of this tax is hurting our economic performance and costing us jobs.” Quebec took a little longer but finally announced the end to the last inheritance tax in Canada on April 23, 1985.

Not having an inheritance tax made provinces more attractive places to invest and live (and die). Competition among provinces eventually eliminated inheritance taxes across Canada.



by **Kris Rondolo**
Executive
Director of
Generation
Screwed

A letter to my generation

Hello Friends,

This September I took on one of the most important challenges of our generation, leading a student network focused on fighting back against debt, deficits and government waste.

As I take over the reins of Generation Screwed as the new executive director, my message to my generation is simple: start caring and start fighting back.

Our federal debt is increasing by more than \$2,870 every five seconds and yet most Canadians are not alarmed.

Just think about that number for a second. Our federal debt increases more every five seconds than what the average millennial will make in two weeks.

Still feel uninterested? Unaffected?

I get it and I don't blame you.

Canadians rarely talk about this massive debt, yet the future implications are enormous. Massive debts and government waste continue to happen because we're not holding our governments accountable.

Most of us seem to have forgotten that we should expect value in return for our hard-earned cash.

Canadians should expect that governments know how to balance the budget.

Politicians would like you to believe that they value things like "accountability" and "efficiency" but in practice, there's not much of either. While politicians make decisions for the sake of continued

re-election, they will promise you the moon only to leave you with the bill.

Because of that, the combined debt of all governments in Canada has ballooned to \$1.4 trillion and it keeps growing.

We need to stop encouraging politicians to make commitments after commitments for the sake of making them. They have spent much of your money on feel-good projects and corporate welfare and at the end of the day there's really not much left for what truly matters.

Demand value for your hard-earned money and demand accountability from the people you keep electing.

Just think of the \$26-billion cheque that the federal government wrote to big banks last year. That's \$26 billion just in interest payments; we're not paying our debt down.

The money spent on the interest payments on our debt could have gone to reduce taxes or to programs that desperately need it.

Don't let them waste your money. Fight back.

If this sounds like the challenge for you or for someone you know, please join us.

Be a megaphone for the thousands who care, be a constant wakeup alarm that the government cannot "snooze."

Sign up at **GenerationScrewed.ca**, and be an advocate for your future and the future of our generation.

Yours,

Kris Rondolo

Executive Director
Generation Screwed



Generation Screwed Co-ordinators at the
2018 Annual Retreat in Quebec

INFOGRAPHICS:

How Generation Screwed illustrates Canada's debt problem

When it comes to Canada's massive combined debt of \$1.4 trillion, it's hard to avoid speaking in numbers.

When we start speaking in numbers, however, for some people we might as well be speaking in tongues.

Government debt is a complex issue and it's just not on everybody's mind.

Most Canadians work hard and have very busy lives. When they do have time to reflect on a few things, it's usually about their own personal circumstances or issues.

Generation Screwed engages young Canadians on a wide variety of social media platforms such as Facebook, Twitter and, most recently, Instagram.

Infographics can be a powerful tool for displaying complex data, explaining and simplifying concepts such as government debt. An effective infographic ideally does not have much text and uses compelling images.

When Generation Screwed takes the fight against debt, deficits and government waste to our local colleges and universities, we are often challenged by students who either think that there's no harm with sticking to the status quo or students who think that this issue is too far removed from their day-to-day lives.

Yes, they see that big number, but so what?

To solve this problem, Generation Screwed had to look inwards: how did we get involved and what are the issues that continue to drive us?

For one Generation Screwed co-ordinator, it was the fact that governments in Canada were wasting billions of dollars on interest payments.

For another co-ordinator, it

was the federal government buying a pipeline for \$4.5 billion when it could have been funded by the private sector.

When Canadians see their money being wasted or mismanaged they start caring. They start thinking about all those long hours they put in at work, only for the government to spend so much in the blink of an eye.


Two of our recent infographics, one on our national debt and one on Ontario's debt, proved to be very successful.

We illustrated that \$75 million a day is wasted on national interest payments. If the text didn't grab your attention, the illustration of someone being overwhelmed by an enormous pile of cash, to the point where the only thing you can see is a pair of hands pushing above the pile, did.

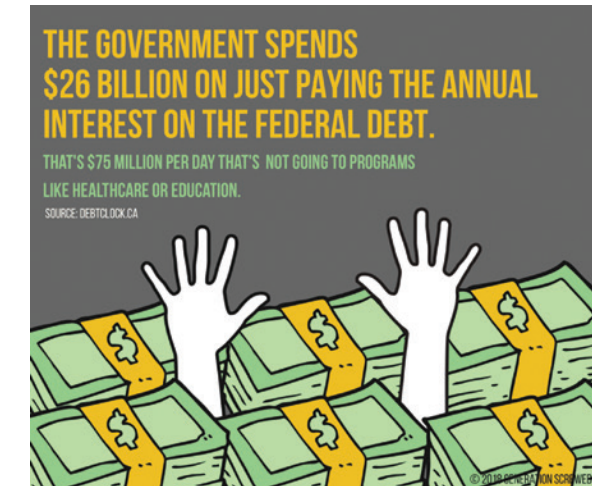
Our second infographic on Ontario's debt showed the \$22,919 that each Ontarian owes as a share of the province's \$312-billion debt. If that didn't pique your interest, the fact that even famous Canadian rapper, Drake, would take 2,000 years to pay off \$312 billion, should.

When it comes to illustrating Canada's debt problem for young Canadians, not only does it need to have a compelling and relatable angle, it must also be catchy.

Colleges and universities are where students go to learn ideas and concepts that they hold onto for the rest of their lives. It is crucial to have a student network, such as Generation Screwed, to advocate to their fellow students but also to function as a platform and be there to foster ideas like fiscal responsibility and accountability.

With the generous support from donors across the country, Generation Screwed is able to continue to fight the good fight. 

TOP TO BOTTOM:
Generation
Screwed's
Politicians
at Work
Meme,
Generation
Screwed's
Drowning in
Debt Infographic,
Generation
Screwed's If Drake
Can't Pay It
Infographic.



BUDGET PREP

TAXPAYER
TOP

5



by Kris Sims
BC Director

Politicians in British Columbia are busy crafting next year's provincial budget and figuring out how to spend our money.

The subcommittee on finance toured BC this fall and listened to a parade of groups asking for more funding and new spending. The Canadian Taxpayers Federation travelled to the hearings in Prince George to tell the politicians to stop wasting our cash and to cut our taxes instead.

Speaking to the MLAs on the committee and to the media, the CTF announced our Taxpayer Top Five recommendations: balance the budget, scrap the carbon tax, cancel the Employer Health Tax (EHT), open ICBC up to competition and approve the Trans Mountain Pipeline. The presentation was streamed live on Facebook and local media gave it wide coverage.

Politicians are being lobbied for more of your money every single day. As we all brace ourselves for the budget, it's important to stand up and call for common sense, restraint and frugality. **t**

Employer health tax
double dip

Employers in BC are facing a double tax hit coming down the tracks in the new year.

The Medical Services Premium (MSP) is still in place at 50% of its former strength, and now the John Horgan government is imposing a brand-new Employer Health Tax (EHT) on job creators and municipalities. This creates a deep "double dip" tax for many. Any employer with a payroll of more than \$500,000 must pay this new tax, and that includes cities and towns.

Many municipalities have a payroll of more than half a million dollars a year; fortunately, city councils cannot run budget deficits. The problem is, that new tax money demanded by Victoria needs to come from somewhere and now property owners could see their taxes hiked.

There is another troubling aspect of this unfair double taxation. Longstanding

business owners have told the CTF that because they are being hit so hard with these taxes from Victoria, they will have no money to spend on local charities. Businesses that are well known in their communities are asked to sponsor new projects in their towns and to support local charities with big donations. It's part of giving back to their neighbours and customers. If the government squeezes more money out of local business owners, they will have less to spend on their needs and on the needs of their neighbourhoods.

The CTF spoke with municipal leaders and business owners from Courtenay to Cranbrook this summer and we have a petition on our website to fight this unfair double tax. Once we have collected enough signatures we will deliver them to Victoria and urge the NDP government to cancel the remaining MSP tax and scrap their new tax. **t**



BC CTF Director Kris Sims showing the Green Party of Canada gasoline-powered panel truck that was driven in the parade

Radical environmentalists should practise what they preach: They should try to live their lives while keeping oil "in the ground."

Activists from Greenpeace, wealthy socialists who penned the Leap Manifesto and politicians in the Green Party like to reap the rewards of a modern industrial age that's fueled by oil and gas, while they condemn the use of oil and gas for the rest of us.

Case in point: At the Brigade Days fall fair to mark the historic gold rush in Hope, BC, this September, families gathered along the small resource town's main street to watch a parade. After the Rotary Club, the Legion and the local swim team floated past, a giant GMC panel van rumbled down the road, advertising the Green Party of Canada.

A gas-guzzler promoting the politicians who want to shut down Canada's oil industry? These protests need a new chant. "This is what hypocrisy looks like" has a fitting ring to it.

Many families in the Fraser Valley depend on oil and gas jobs, and they were booked to work on the Trans Mountain Pipeline expansion that runs from Edmonton to Burnaby before a federal court decision nuked it. Some of those families were probably watching the Green Party gas-guzzler roll past

“Radical environmentalists should practise what they preach: They should try to live their lives while keeping oil “in the ground.”**”**

them, while wondering if they could afford the rides and cotton candy their children would be soon asking for at the fair.

Green Party of Canada leader Elizabeth May celebrated the court ruling that killed 8,000 jobs, posting a smiling picture on Twitter with one of the lawyers who argued against the pipeline, praising her "great work."

For the Green Party to then roll a gas-guzzling old panel truck past the

same people whose jobs they helped to kill is the height of callousness.

The role of oil and gas in our world cannot be overstated. Oil and gas are used in nearly every imaginable sector of our modern lives. From farming to pharmaceuticals, and from transportation to the tech sector. Our just-in-time-delivered groceries are sown, grown, trucked and shipped using oil and gas. More than 6,000 everyday products are made from oil, including heart valves, eye glasses, life jackets, shampoo, house paint and bicycle tires. Even organic beeswax candles and wool sweaters depend on trucks to ship them to local stores.

When it comes to taxes, governments in Canada raked in more than \$20 billion from the sale of gasoline last year, and more than \$7 billion from diesel. Those are just the taxes paid at the pump.

If these protesters truly believe that remaining oil and gas should be kept in the ground, they should abstain from their use and live in a nature commune like the experts did who recreated life in the Middle Ages for a year-long documentary entitled Tales from the Green Valley and set in Wales.

Vegans who campaign for PETA, after all, don't eat meat or wear fur. Say what you will about PETA and their tactics, at least they're not hypocrites. **t**

Spending should be blamed for Alberta's budget nightmares



Alberta Director Franco Terrazzano outside the Alberta Legislature in October.

A recent report by the parliamentary budget office shines light on a potential budget catastrophe waiting to hit Albertans. The report projects government debt to grow beyond \$100 billion by 2021 and exceed \$1 trillion by 2051. This is particularly alarming when you consider the average Albertan already owes more than \$10,000 in provincial debt. Some critics have suggested that this shows the government needs more and new taxes. However, the problem isn't that government takes too little, but that it spends too much. Alberta has been plagued by years of runaway government spending. Between 2004 and 2015, government spending

increased by roughly 100%. The current government is continuing the spending spree. Had the government held spending at 2015 levels, Alberta would likely balance the budget this year. Instead, Albertans are watching government debt increase by \$1 million every hour. Alberta spends roughly \$2,500 more per person than BC. Bringing Alberta's spending in line with our neighbouring province would generate more than \$10 billion in savings. If Alberta spends a significant deal more than other provinces, how can the government have a revenue problem? BC's government is living proof that the sky would not fall if Alberta cut back spending. Addressing Alberta's spending problems by giving the government more tax powers is like giving an alcoholic another drink. It will only feed the addiction. **T**

3

WAYS TO REDUCE GOVERNMENT SPENDING

- 1. LIMIT GOVERNMENT GROWTH**
It's time to bring balanced budget legislation back to Alberta. To control the ever-present urge to spend other people's money, legislation must include a spending reduction until the books are balanced, a set percentage of every budget allocated to debt repayment or tax relief and limits on future spending increases.
- 2. REIN IN GOVERNMENT EMPLOYEES**
It pays well to be a government employee. Government employees earn nearly a 10% premium (all levels of government) compared to counterparts outside of government. Furthermore, a much greater percentage of government employees are on a registered pension plan, with the vast majority enjoying a defined benefits plan. Between July 2014 and May 2018, the number of government employees in Alberta grew by 22%, compared with 2% growth in Saskatchewan. Employment outside of government declined by 3% in Alberta.

- As a large number of government employees are eligible to retire in the near future, the size of the bureaucracy could be downsized by 10%, largely avoiding layoffs. Reducing government employee compensation by 10% could save \$2.6 billion annually.
- 3. SCALE BACK GOVERNMENT**
Real savings won't be achieved until the government monopoly on services is broken. The provincial health care system needs reform, especially as the population ages. Why not allow licenced businesses to provide the same services as the public system provides? This would reduce patient wait times, encourage innovation in the public sector by increasing competition and reduce the burden on taxpayers. The government must also do a better job prioritizing and dividing services and projects into "necessities" and "luxuries." Necessities such as cancer treatment should be funded, while luxuries such as the Olympics should be dropped altogether or left to the business community. **T**

DOING BAD BY DOING GOOD

Implementing policies that appeal to emotions rather than economics is the surest path to unintended consequences. Here are a few ways the Alberta government is doing bad by doing good.

MINIMUM WAGE HIKES

RATIONALE: Increase the living standards of Alberta's working poor.

RESULT: The minimum wage fails to target the working poor. Half of minimum wage earners in Alberta are under age 25 (2017), 92% do not live in low-income households (2015) and only 2% are single parents with young children (2017). No matter how hard a government may try, the true minimum wage will always be \$0. The minimum wage is not a high tide that raises the incomes of all workers. Rather, it increases the hurdle that young and lower-skilled workers must jump over to earn a job.

BETTER WAY: Stop implementing policies that drive up the cost of living such as the carbon tax, sales tax and increasing property taxes.

BUSINESS TAX INCREASE

RATIONALE: Generate more revenue by taxing businesses.

RESULT: Businesses do not pay taxes, people do. In fact, workers bear a large portion of higher business taxes through lower wages, less investment in productivity-enhancing technologies and fewer job opportunities. A recent study found that increasing the business tax rate by 1% decreases wages by 0.5%.

BETTER WAY: Reverse recent tax hikes to grow the economy. When Alberta cut its business tax rate from 15.5% to 10%, tax revenues grew by 80% in six years. When the federal government nearly halved its business tax rate, wages grew faster than in the previous decade and faster than in other industrialized countries.

CARBON TAX

RATIONALE: Combat climate change.

RESULT: Given the fact that Canada only accounts for 1.6% of the world's greenhouse gas emissions, the carbon tax will cost Alberta's businesses and families without meaningful reductions in global emissions. As Alberta's competitiveness continues to decline, industries are more likely to shift production to areas with lower emission standards, known as "carbon leakage." A Conference Board of Canada report states that "global emissions could even rise as a result of carbon leakage."

BETTER WAY: Encourage global demand for energy products to be supplied by Alberta. Improving competitiveness by scrapping the carbon tax, lowering the business tax and getting products to customers across the country and around the world could help displace emissions-intensive production abroad and mitigate carbon leakage.

Saskatchewan still doesn't have a savings plan



by **Todd MacKay**
Prairie Director

It's coming back. Its absence left a huge hole in Saskatchewan finances, but it's popping up again: \$75 per barrel oil prices.

And it's a magic number that should trigger an important promise.

"A Saskatchewan Party government will use oil revenues gained by the province to build a \$500 million balance in the province's rainy-day fund – the Growth and Financial Security Fund – when the price of oil exceeds a threshold of \$75 US per barrel," stated the Sask. Party's 2016 campaign platform. "Once the fund has achieved a \$500 million balance, oil revenues received by the province above the \$75 US per barrel price threshold will be dedicated to debt repayment."

That's a promise not to repeat a mistake, but that promise is looking pretty shaky.

The fantastic growth of the last boom also planted seeds for big problems.

When the Sask. Party first took power, government revenues soared 18.9% in 2007-08, according to RBC's fiscal tables. The next year revenues jumped another 21.7%.

During those early years, the government made some important progress on the provincial debt and knocked it down from \$7.1 billion to \$4.3 billion and then a bit lower to \$4.1 billion.

Here's the problem: Saskatchewan also increased spending dramatically. There was a surge of 16.2% in program spending (that's spending on everything other than debt) in 2008-09 and another 11.5% the next year, according to RBC.

It's easy to spend a lot when money is rolling in, but it's hard to cut back when the tough times inevitably come.

Saskatchewan's revenues fell by 2.5% in 2014-15 as sky-high oil and potash prices came down. Those revenue numbers fell another 3% the next year.

When families and businesses have less money coming in, they trim



spending. Unfortunately, that's not the case with government.

Despite the shrinking revenues, Saskatchewan's program spending went up 1.7% in 2014-15 and 8.7% in 2015-16.

That's a recipe for one thing: debt.

Saskatchewan's provincial debt is now \$10.8 billion.

It's hard to believe. How could Saskatchewan reap astonishingly high revenues from soaring oil and potash prices and yet have the provincial debt more than double? The simple reality is that, despite some early debt repayment, the province had no real plan to pay down debt, save windfall revenues and keep a check in spending. As a result, Saskatchewan has been spending its non-renewable resource revenue as fast as it's come in.

Ignorance is no excuse. The government knew it needed to take action. In fact, it hired University of Saskatchewan president Peter MacKinnon to make a plan.

"The most lasting legacy we can leave our children and grandchildren is a debt-free province," said former premier Brad Wall in 2012. "Once that is achieved, we

It's hard to believe. How could Saskatchewan reap astonishingly high revenues from soaring oil and potash prices and yet have the provincial debt more than double?

need to look ahead to ensure that our resource revenues continue to benefit future generations. I can't think of a better person than Peter MacKinnon to

assist us with this task."

MacKinnon did just that. He studied sovereign wealth funds in other jurisdictions. He produced a report and recommended that the government cap spending of non-renewable resource revenues at 26% of total revenues and save anything above that. It was a relaxed recommendation that wouldn't have required any spending cuts.

The government did nothing. MacKinnon's report continues to gather dust. The debt continues to grow.

Even now, the government has made promises, but it hasn't delivered any action.

The promise to pay down debt with oil revenues generated when prices go over \$75 per barrel is weak. For example, it doesn't include other commodities such as potash. But the government hasn't even done anything to implement its weak promise.

Which leaves Saskatchewan in a familiar place. When oil prices rise, the province will spend the money. When prices fall, the debt will rise. Unless, that is, Saskatchewan does something different this time and actually makes a plan. **t**

SAVE MONEY, GET GOVERNMENT OUT OF THE CLASSROOM

Saskatchewan has a problem: education spending is out of control. Here's part of the solution: government needs to get out of the classroom

Spending on K-12 public education has risen from \$1.56 billion in 2005-06 to \$2.36 billion in 2014-15, according to the Fraser Institute. Here's the crazy thing: enrolment remained largely unchanged during that period (174,206 to 174,744). After accounting for capital investments and inflation, per-student costs have risen by 37%.

But there's an important area where Saskatchewan has been saving money on education: independent schools. Depending on the type of school, the government provides per-student funding between 50% and 80% of the operational funding provided for students in public schools.

Last year, 3,602 students attended these schools. In total, funding for independent schools was \$27.4 million, but, had those students all attended public schools, the cost would have been \$38.3 million, which means the government saved \$10.9 million. That's not even count-

ing all of the money the government saved because it doesn't have to provide buildings for these schools or pay for maintenance.

And Saskatchewan can do more.

Alberta allows charter schools that are operated by non-profits and don't charge tuition, but they get government funding on a per-student basis. Enrollment in Alberta charter schools has reached 9,275 and many of the schools have long waiting lists.

According to the Fraser Institute, per-student public school funding in Alberta, including capital funding, totals \$13,234. However, the province provided \$83 million in funding for students in charter schools for an average of \$8,950. As a result, Alberta saved \$39.73 million.

Charter schools have worked so well in Alberta that NDP Premier Rachel Notley has maintained their funding despite strong opposition from teachers' unions.

As Saskatchewan continues to struggle to balance the budget and get the debt going back down, it's time to get education spending under control with innovative ideas such as charter schools. **t**



ANATOMY OF A VICTORY: THE MANITOBA CARBON TAX



by Todd MacKay
Prairie Director

Manitoba has rejected implementing a carbon tax. It's a huge victory for taxpayers because, for two years, the province had worked on a so-called made-in-Manitoba carbon tax. It was projected to cost taxpayers \$248 million a year.

Thanks to our supporters, the Canadian Taxpayers Federation led the fight against Manitoba's carbon tax plan every step of the way. Here are some of the highlights from the fight:

- ▶ **April 8, 2016** - the PCs release their election platform that focuses on reducing the PST, requiring referendums prior to major tax increases and balancing the budget, but includes one vague line about developing "a made-in-Manitoba climate action plan" that includes "carbon pricing."
- ▶ **May 16, 2016** - after winning the election, the new government's speech from the throne includes another vague line about "carbon pricing."
- ▶ **June 24, 2016** - the CTF launches a petition opposing a carbon tax in Manitoba.

- ▶ **Sept. 12, 2016** - the CTF teams up with the Western Canadian Wheat Growers to publish a column in The Globe and Mail entitled: "Farmers worry about climate change, but a Prius can't pull an air seeder."
- ▶ **Nov. 2, 2016** - the CTF presents budget recommendations to the government, including a warning against carbon taxes, and publishes a column about it in the Winnipeg Sun.
- ▶ **March 3, 2017** - the CTF teams up with the Western Canadian Wheat Growers to publish a column in the Winnipeg Sun calling on the provincial government to oppose the carbon tax.
- ▶ **April 7, 2017** - the CTF issues a release citing a Mainstreet poll showing that 50% of Manitobans oppose a carbon tax.
- ▶ **June 29, 2017** - the CTF issues a release supporting Pallister for threatening to fight a federal carbon tax in court.
- ▶ **July 5, 2017** - the CTF asked supporters to email their MLAs to oppose the carbon tax and the replies from elected officials made it clear many have misgivings about the policy.

- ▶ **Aug. 17, 2016** - media report that Premier Brian Pallister hired campaign advisor and carbon-tax advocate David MacLaughlin to work on the climate action plan.
- ▶ **Sept. 9, 2016** - the CTF publishes a column in the Winnipeg Sun reminding the government that it must hold a referendum if it plans to impose a carbon tax.
- ▶ **Oct. 16, 2016** - the CTF asked supporters to submit their views about a carbon tax to the province's online budget consultation and hundreds step up to make their voices heard.
- ▶ **Nov. 19, 2016** - the CTF publishes a column in the Winnipeg Free Press pointing out that Washington state held a referendum on the carbon tax, which it voted down, and Manitoba should do the same before proposing a carbon tax.
- ▶ **April 4, 2017** - the CTF releases documents obtained through a freedom of information request that show MacLaughlin produced more emissions just by flying back and forth to Ottawa than the average Winnipeg family produces in a year.
- ▶ **June 8, 2017** - after alerting supporters to make submissions to the province's carbon tax consultation, the CTF uses freedom of information requests to get the results and show that 59% of Manitobans oppose the carbon tax.

- ▶ **July 14, 2017** - the CTF partners with the Canadian Federation of Independent Business, the Western Canadian Wheat Growers and AxeTheCarbonTax.ca to launch a newspaper advertising campaign targeting government MLAs and calling on them to oppose the carbon tax.
- ▶ **Jan. 2, 2018** - the CTF commissions a survey conducted by Inshightrix that finds 50% of Manitobans oppose a carbon tax.
- ▶ **March 14, 2018** - the CTF publishes a column in the Winnipeg Free Press blasting the government's budget for claiming to reduce taxes when documents show the carbon tax would increase the overall tax burden by \$95 million.
- ▶ **June 23, 2018** - the CTF publishes a column in the Winnipeg Sun pointing out that high beer prices haven't stopped Canadians from drinking beer so there's no guarantee high carbon taxes will stop people from buying gas.



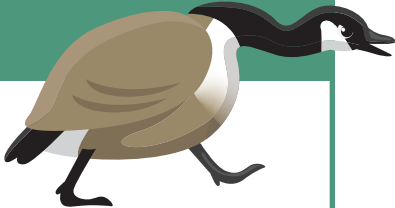
A collection of the newspaper ads the Canadian Taxpayers Federation ran throughout Manitoba newspapers in partnership with the Canadian Federation of Independent Business, Western Canadian Wheat Growers and AxeTheCarbonTax.ca.

- ▶ **Oct. 17, 2017** - the CTF presents a pre-budget submission that calls on the province to oppose the carbon tax.
- ▶ **Nov. 17, 2017** - the CTF publishes a report showing that even without a carbon tax, Manitoba already achieves better environmental performance than the Canadian average or even British Columbia with its carbon tax.
- ▶ **Feb. 10, 2018** - the CTF publishes a column in the Winnipeg Sun comparing Pallister to the last guy to buy bellbottoms because he was the last conservative supporting a carbon tax.
- ▶ **May 17, 2018** - the CTF holds its Gas Tax Honesty Day press conference at a Winnipeg gas station to warn Manitoba about the impending carbon tax.
- ▶ **Aug. 22, 2018** - the CTF publishes a column in the Winnipeg Free Press highlighting the unfairness of hitting truckers with \$50 million a year in carbon taxes, but giving the biggest emitters in the province a special deal.



VICTORY Oct. 3, 2018 - Pallister announces Manitoba will not impose a carbon tax and will join the fight against the federal government. The CTF immediately issues a release supporting Pallister for rejecting the carbon tax.

Canada Goose feathers its nest with taxpayers' money



It's hard to imagine why a company that sells winter coats for a thousand bucks each would need corporate welfare, but the Manitoba government is offering it anyway.

Canada Goose, the company famous for down-filled jackets, is opening a new plant in Winnipeg and it's getting \$1.5 million from Manitoba Education and Training.

What's it going to do with the money?

"The funding will support the onboarding and technical training of the new sewing machine operators over three years," stated the province's release.

In other words, a company that sews coats is getting taxpayers' money to hire people to sew coats. That sounds like something Canada Goose can probably manage without government help.

Nor is there any reason to think Canada Goose actually needs the money.

The total price tag for the new Canada Goose facility in Winnipeg is \$15.8 million. If the company has the cash it needs for a new plant, it's hard to believe it needs government money to hire people to work in it.

Manitoba may be making progress on its deficit, but it still can't afford to continue wasting money on corporate welfare. **T**



(From left to right) Todd MacKay (Canadian Taxpayers Federation); Gunter Jochum (Western Canadian Wheat Growers); Jim Karahalios (AxeTheCarbonTax.ca); and, Jonathan Alward (Canadian Federation of Independent Business) speak to reporters about a newspaper ad campaign calling on Manitoba to reject the carbon tax.

Shrinking Toronto city hall by 22 politicians



by Christine Van Geyn
Ontario Director

Municipalities across Ontario went to the polls Oct. 22, and in the leadup to the election there was much angst over the size of city hall in Toronto. It's a strange world when you see major news outlets and pundits

arguing we should have more politicians, but there has been an ongoing fight in Toronto over how many city councillors there should be. But what is the fight over, and why is the Canadian Taxpayers Federation involved?

WHAT IS THE TORONTO CITY HALL FIGHT ABOUT?

On July 30, Premier Doug Ford's new government introduced legislation that shrunk the number of wards in Toronto from a planned 47 wards to 25. The legislation, called The Better Local Government Act, was challenged by a number of interested parties, including some candidates for municipal council.

The legislation was challenged as unconstitutional. The would-be politicians and the city of Toronto all argued that reducing the size of council several months out from the voting date violated some unwritten principle of democracy. They also argued that the law and the timing of its enactment violated Charter guaranteed rights of free expression, free association and equality rights.

The province argued that the law is squarely within provincial powers and that unwritten principles have never been used to invalidate legislation and should not be used that way in this case. The city also argued that voting rights are guaranteed specifically in Section 3 of the Charter, and that when the Charter was being drafted, municipal voting rights were specifically considered and were not granted the status of constitutional protection. Because voting rights are



specifically addressed by the Charter, other provisions should not be used to invalidate the legislation unless they are directly in play, which they are not in this case.

WHY THE CTF GOT INVOLVED

The CTF was granted intervenor status, which means we could make arguments in court on a narrow range of issues.

We are interested in this case because The Better Local Government Act would create a smaller government and it would save taxpayers money. The savings will be far greater than the government's estimate of \$25.5 million, because that doesn't consider all the legacy and pet projects that those extra city councillors now won't be pushing for.

We also are interested because the Ford government was elected with a mandate to save taxpayers money and we want it to have the flexibility to achieve that very important goal without courts interfering.

Finally, we were deeply concerned by the possibility of a new precedent being set in this case, where courts overturn cost-saving legislation using unwritten principles (something that has never been done before), or by twisting certain Charter rights to apply in situations where they are not in play.

Our intervention was significant. In the hearing, Justice Edward Belobaba complimented our factum and said our

argument on unwritten constitutional principles was very persuasive.

STATUS OF THE COURT FIGHT TODAY

On Sept. 10, Justice Belobaba struck down the Ford government's legislation, and Toronto briefly reverted to the 47-ward plan. Justice Belobaba held that voting is an expressive act, and that The Better Local Government Act and its timing violated the Charter guaranteed right to free expression.

However, on Sept. 19 a panel of judges on the Court of Appeal stayed the Belobaba decision pending an appeal by the government of Ontario. This means that the legislation remained in effect, and on Oct. 22 Toronto had a 25-ward election. In that decision, the Court of Appeal wrote that there is a "strong likelihood" that the lower court judge had erred in law and that the appeal would succeed. The appeal judges also held that while the changes may be seen as "unfair" by the lower court, "unfairness does not establish a Charter breach."

The appeal is still moving ahead, but it will not be heard until June of 2019. We will be seeking leave to intervene in the appeal, because of the important legal principles at stake. But in the meantime, for all practical purposes, taxpayers will see a smaller municipal government over the next four years. And that's a good thing. **t**

Shrinking the government's role in alcohol and cannabis sales

Ontario Premier Doug Ford has announced he is cancelling the previous Kathleen Wynne government's plans to sell cannabis through 40 government stores and will allow the sale of cannabis by private retail stores. Legalization took effect on Oct. 17.

On Sept. 26, Minister of Finance Caroline Mulroney announced that there will be an unlimited number of stores that can sell recreational cannabis, and that "we want to open up the marketplace. This is an opportunity for small business to get involved. We want to have as many participants as possible."

This raises the question of the role of government in alcohol sales.

Alcohol sales are limited to the government-run Liquor Control Board of Ontario, beer sales through the



If private sales are good enough for cannabis, why aren't they good enough for alcohol?

Beer Store, and some wine and beer at a select number of grocery stores. If private sales are good enough for

cannabis, why aren't they good enough for alcohol?

The line-by-line spending review promised by the government was released on Sept. 25, and in it the audit firm proposed privatizing the LCBO as a way of raising cash without raising taxes, and returning the province to a stable financial footing.

The end of the LCBO monopoly would also create opportunities for small business entrepreneurs and could increase product selection as it did in Alberta when liquor sales were privatized. And most importantly, it gets the government out of running retail stores – something they have no business doing. If this philosophy is good enough for cannabis sales, it only makes sense to apply it to liquor sales as well. **t**

Gone with the wind? New government pledged to cancel the boondoggle



by Renaud Brossard
Quebec Director

This is about an unpopular government trying to get re-elected, cash for an Indian reserve and a politically-connected company that wants to get its piece of the pie. Unusually, it also involves a Crown corporation looking out for its consumers.

Over the past decade, the Québec government has imposed a wind power purchase program on its power utility, Hydro-Québec, in a limited version of Ontario's recently cancelled Green Energy Act. The government is requiring Hydro-Québec to purchase 4,000 megawatts of wind power, inviting companies to submit bids for small to medium projects and reserving a block of those 4,000 megawatts to First Nations bidders.

So far, the program has been an absolute boondoggle, costing ratepayers upwards of \$2.5 billion since 2009 in higher electricity bills, according to the auditor general. Not only is the electricity purchased at a higher price than its resale price, but the utility is boasting huge surpluses in supply every year. This year alone, it estimates a surplus big enough

“This is electricity for which the utility can't find a domestic or export market. Nevertheless, politicians have seemed intent on buying more and more costly wind energy.

to power 600,000 homes. This is electricity for which the utility can't find a domestic or export market. Nevertheless, politicians have seemed intent on buying more and more costly wind energy.

The latest bid was a joint venture between private power producer Boralex

and the Innu Nation for a 200-megawatt project in Québec's Côte-Nord region. While the contract's terms are unknown, a few details emerged thanks to a leaked letter, sent in August by Hydro-Québec's CEO, Eric Martel, to Pierre Moreau, then the minister for natural resources. The Crown corporation CEO strongly recommended that the government not go forward with this project, as he estimates the net cost to be anywhere between \$1.5 and \$2 billion over the course of the 25-year contract. From his standpoint, this was as bad a deal as he could imagine.

Despite this sound advice, the minister chose to go forward with a project for electricity we do not need. Instead of listening to the CEO he hired to run the business, he publicly threatened to replace him with someone who would do his bidding should he ever get cold feet again. For the Liberal government, it was preferable to stick ratepayers with the bill rather than risk angering a few constituents in what seemed like a winnable riding.

While the project is still on the table, the Coalition Avenir Québec (CAQ) was adamant about cancelling it during the fall campaign. We'll be sure to hold the new government to that promise. **t**

‘The trouble with socialism is that you eventually run out of other people's money’



Baroness Margaret Thatcher couldn't have been more correct when she pointed out the inherent flaw of socialism: it always ends up running out of other people's money. Sadly, socialists have been hard at work finding more and more ways to get their hands on taxpayers' hard-earned dollars and use them to advance their agenda.

In the fall election, the Canadian Taxpayers Federation pointed out one such scheme, thought up by the far-left party, Québec Solidaire. Had it gained power, it planned on phasing out Tax Free Savings Accounts in Québec and replacing them with shiny new accounts that would take two-thirds of your savings and let two Crown corporations use them to pay for projects they happen to like.

While Québec Solidaire is far from power at the moment, with only 10 of the 125 MNAs elected Oct. 1, it is growing stronger with every election and won more than 15% of this year's vote.

People supporting Québec Solidaire may not realize just how far it would be willing to grow the size of government. Shining a light on its toxic proposals is crucial before it has any chance of forming the government. **t**

A TWO-HORSE RACE NO MORE

Québec's political landscape has drastically changed in recent years. The old independence-vs.-federalism fight has gone away, with support for separation stagnating around 30%, a far cry from the 49% "yes" vote of the last referendum in 1995. This has caused the Parti Québécois, formerly one of only two potential governing parties,

to lose votes left and right. (Well, mostly left.)

When the CAQ won power this fall, it was the first time since the Union Nationale was defeated in 1970 that a political party other than the Liberals or the Parti Québécois has formed government. For taxpayers, this means cautious optimism. For the first time in

nearly a half-century, the political consensus around ever-bigger government is being challenged.

One notable thing that might give hope to taxfighters across the country is the CAQ's plan to move Québec away from equalization and toward economic development. It might take a few years, but at least it's headed in the right direction. **t**

NB election highlights Titanic fiscal challenges



by Paige MacPherson
Atlantic Director

New Brunswick's provincial election was one for the books and it put the province's fiscal challenges front and centre. The province elected its first minority government since the 1920s, demonstrating a rejection of the status quo.

Governments rotating between Liberal and Progressive Conservative majorities for nearly a century have consistently ignored the province's significant fiscal challenges. Those challenges are framed by dramatic outmigration, as young taxpayers seeking gainful employment are leaving the beautiful province in droves, and the remaining population base is aging rapidly. That aging population poses a problem for health care services; while fewer people are contributing to the province's revenue pots, more are drawing from them.

The auditor general has repeatedly raised red flags about the debt problem, but the government has failed to listen. AG Kim MacPherson compared getting a handle on New Brunswick's fiscal problem to "turning the Titanic," noting that the government spent \$700 million last year on debt interest payments alone.

Credit rating agency DBRS downgraded New Brunswick's credit rating recently, citing the government's big spending plans when it should have been focused on balancing the budget and reducing the debt. Prior to one small election-year budget surplus, New Brunswick governments had run 10 back-to-back

NEW BRUNSWICK FISCAL FACTS

- New Brunswickers pay some of the highest taxes in Canada
- Outmigration of young taxpayers and a rapidly aging population are big problems
- New Brunswick's debt is \$14.2 billion and growing fast
- Each New Brunswicker owes more than \$18,000 in provincial debt
- New Brunswick's net debt is increasing by \$708.40 every minute, and will grow by \$372 million next year
- Last year, New Brunswick spent \$673.3 million just to service the debt
- New Brunswick currently has a ban on hydraulic fracturing (fracking) for natural gas
- The Energy East pipeline would have created substantial economic activity and jobs in New Brunswick
- New Brunswick has the second-lowest employment rate in Canada, next to Newfoundland and Labrador
- New Brunswick's government spending as a share of GDP is second-highest in Canada, next to PEI
- Both credit rating agencies DBRS and Moody's have sounded the alarm on New Brunswick's lack of a plan to deal with the debt

deficits. Imagine if you managed your own finances that way?

The new government does not have an easy task ahead. Improving quality of life for New Brunswickers depends on the government's ability to face the facts: the province is broke, and there can be no new spending programs.

To get a handle on the debt, the government cannot simply raise taxes. New Brunswickers already pay some of the highest taxes in Canada, and the government's tax hike on high-income earners did not pan out and generate more revenue in 2015.

The same happened at the federal

level. Despite a federal tax hike for the top 1% of income earners, they actually paid \$4.6 billion less in income taxes in 2016.

The hard truth is that the government will need to reduce spending. And with an aging population requiring more health care services, it may require options outside of the stressed public system, like we've seen with the opening of the independent health clinic in Halifax.

What's clear is that the government needs to start searching for savings, and soon. **t**

DID YOU KNOW...

A family in Saint John earning

75,000/year

PAYS \$2,831

more provincial taxes per year than a family in Toronto and

\$1,536 MORE

more than a family in Montreal.

SNAPSHOT

New Brunswick Election 2018

- First minority government in nearly a century
- After the election, both the PCs and Liberals claimed they had a mandate to govern
- Three seats were so close the votes were recounted
- Two smaller parties, the NB Greens and the NB People's Alliance, won seats in the legislature



The NB government needs to reduce spending, and fast. Where would you look for savings? What programs can be scrapped, and what can be made more efficient? Get in touch with the CTF and let us know.

Nova Scotia government agency flies in lobbyists to support government bill



As if politicians don't already have enough yes-men around them, the Nova Scotia government has been called out by the media for flying in so-called experts to speak in support of the government's own bill. The Nova Scotia Gaming Corporation (NSGC) paid one current official and two former officials with the Responsible Gambling Council to appear in front of the NS Law Amendments Committee. The guests were flown in from BC and Ontario. Their total cost of travel, courtesy of taxpayers, was nearly \$7,500.

The government's bill proposed shortening the bans of problem gamblers, who voluntarily ban themselves from the province's casinos. The current legislation bans them for life, requiring an investigation for the ban to be lifted, while the government's amendment proposes softening the bans.

It's highly questionable that a government agency flew in people to agree with the government on the government's own bill.

Thankfully, Nova Scotia Premier Stephen McNeil and Finance Minister Karen Casey agreed that the expense was inappropriate (after they were called out), and have loosely suggested they'll cover the expense.

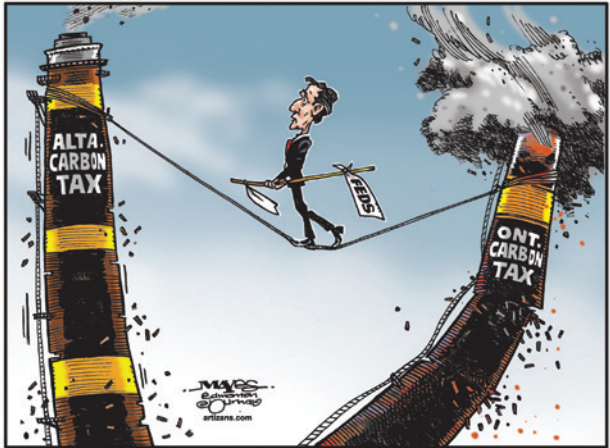
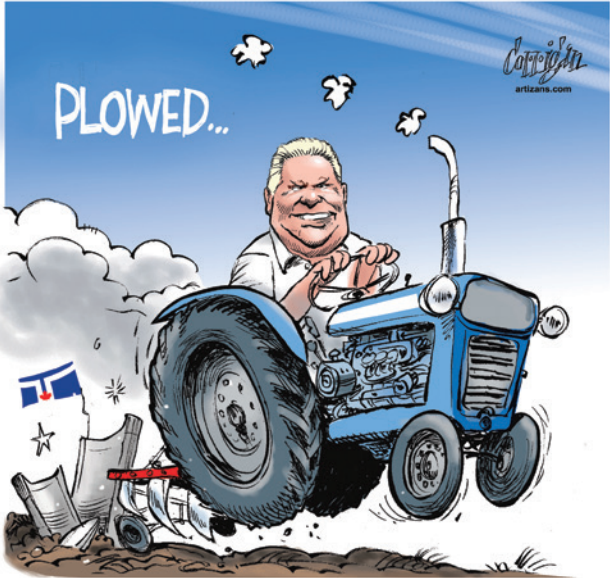
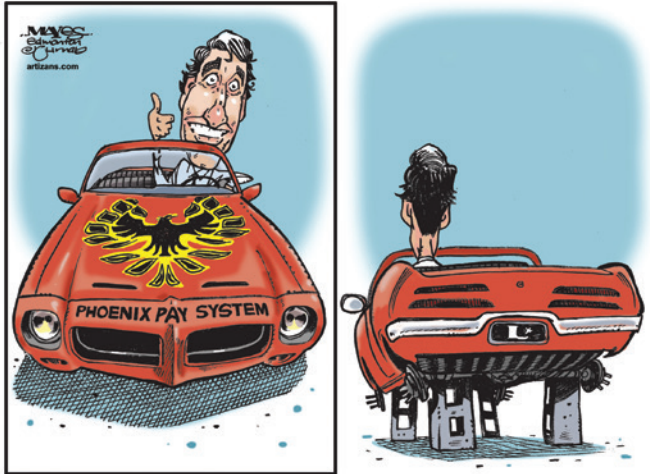
But when it comes to government-funded travel, taxpayers have once again found themselves scratching their heads. We have one question for them: have they never heard of Skype?



But when it comes to government-funded travel, taxpayers have once again found themselves scratching their heads. We have one question for them: have they never heard of Skype?

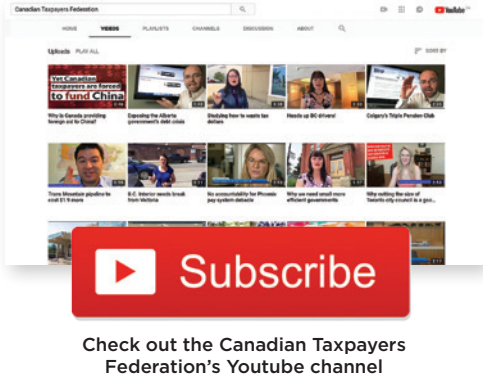
When family members who live across the country from one another want to speak, they use Skype or FaceTime. When many companies (or organizations like the CTF) discuss business, they use web conferencing.

Making this change in government travel would save significant tax dollars. If the Nova Scotia government wants a lesson in videoconferencing, we would be happy to provide it, free of charge. **t**



#YOUTUBE
Chinese government sends its regards

Did you know that last year, the government of Canada wrote China a cheque for **\$9.2 million**? Or that politicians in Calgary City Hall might go further into debt in their bid to host the 2026 Olympics? The Canadian Taxpayers Federation is keeping tabs on wasteful government spending on YouTube. You can watch our latest videos by checking out our CTF channel. You can find our channel by typing “Canadian Taxpayers Federation” on the YouTube search bar. If you would like to get alerts when we post a new video, be sure to click the “Subscribe” button.

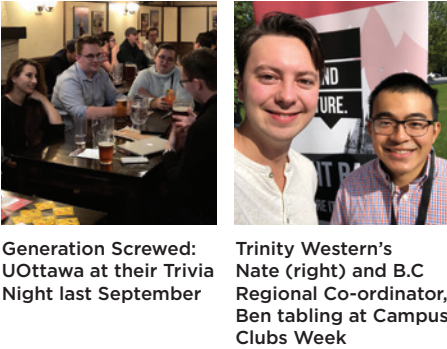


#FACEBOOK
When a picture captures it all

One of our most popular posts on Facebook for the month of September was an internet meme shared by CTF Prairie Director Todd MacKay. The government really wants your money and we’re working hard to keep its paws off of your hard-earned cash. To see more of our pictures, articles, petitions, and videos, follow us on Facebook **@TaxpayerDOTcom**. You can also type “Canadian Taxpayers Federation” in the search bar, and it will lead you to our page. “Like” and “Follow” our page and you’ll never miss an update.



#INSTAGRAM
What’s more #InstaWorthy than youth advocacy?



Generation Screwed: UOttawa at their Trivia Night last September
Trinity Western’s Nate (right) and B.C Regional Co-ordinator, Ben tabling at Campus Clubs Week

#TWITTER
Standing up for oil and gas families

When Twitter’s eco-activists celebrated the devastating Trans Mountain Pipeline decision back in September, CTF BC Director Kris Sims knew she had to say to something. Growing up at time when energy jobs in Alberta were decimated by the National Energy Program, her family was one of thousands that had to make some drastic changes. With the help of their neighbours and friends, they were able to pull through. Today’s oil and gas workers and their families live in constant fear their future economic prosperity can change with a flick of a pen when radical environmental ideas become reality.



It’s back to school and Generation Screwed is finally on Instagram. Our Generation Screwed co-ordinators and regionals are taking their fight against debt, deficits, and government waste to their local colleges and universities. From September to October, Generation Screwed set up social events and engagement events to show their fellow students how politicians and governments across Canada have been blowing through their budgets. To see what Generation Screwed is up to, follow us on Instagram and Twitter at **@GenScrewedCDN**

BY THE NUMBERS \$

3,005
Number of opioid-related deaths in 2016 in Canada

3,996
Number of opioid-related deaths in 2017 in Canada

4.9%
Percentage of Canadian men who are members of a political party

3.6%
Percentage of Canadian women who are members of a political party

21.6%
Percentage of business assets in Canada under foreign control in 2007

16.3%
Percentage of business assets in Canada under foreign control in 2016



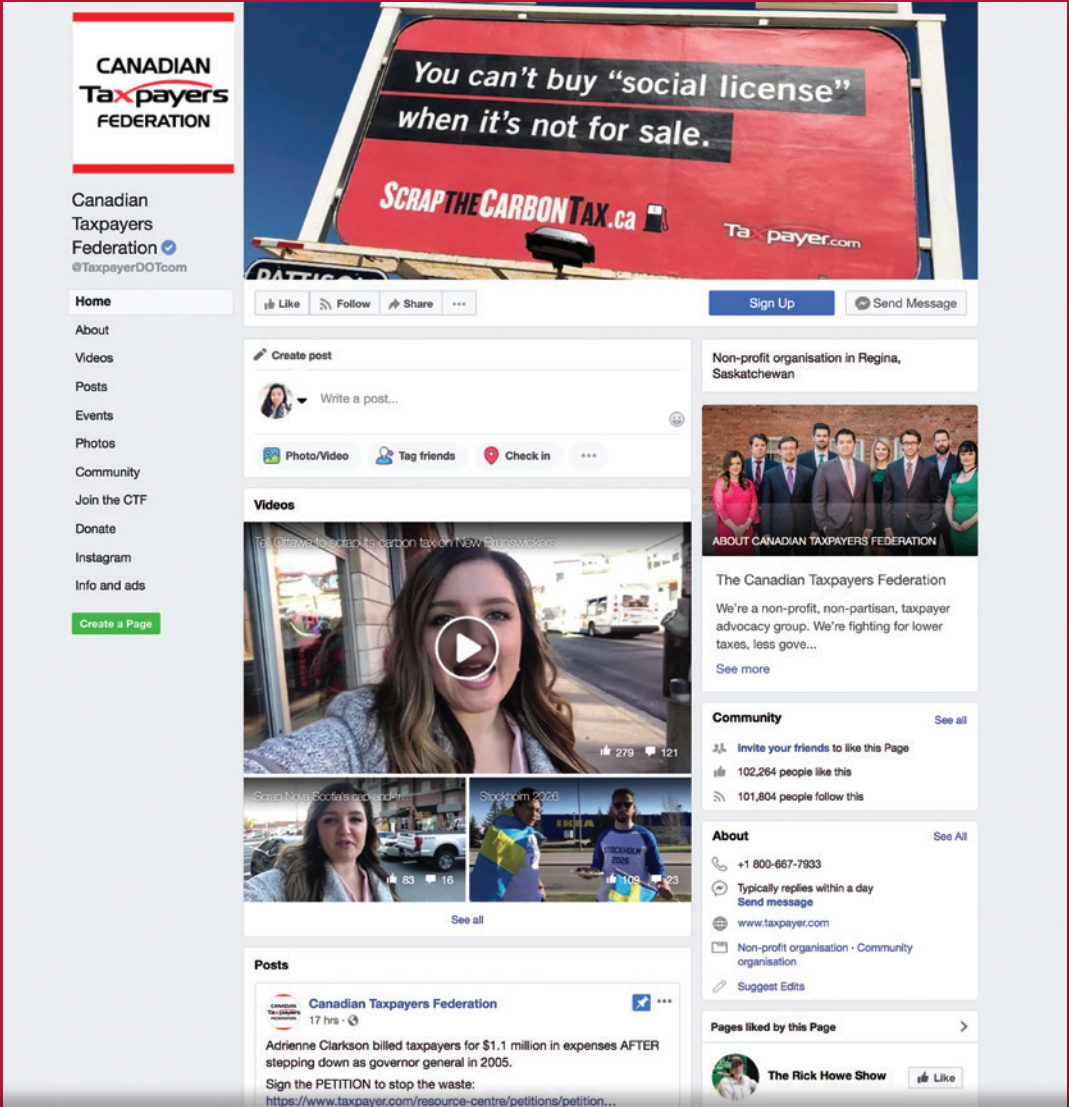
IN THE WINTER/SPRING 2019 EDITION OF THE TAXPAYER...

The 2019 Teddy Waste Awards

New Year's Tax Changes

Fighting for First Nations Transparency - Again

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